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TODAY: SCIENCE

Growing

New York City to Greek parents, she returned with her mother to Greece at 14 and entered the conservatory in Athens. She began her career as a chunky woman, awkward on stage and unsure of her musical direction. Then with sheer determination she shed 70 pounds and became the sleekly beautiful and charismatic musical actress of legend.

There were essentially just two men in her life: her husband, Giorgio Battista Meneghini, 20 years her senior, who protected like a father and nurtured her career, and Aristotle Onassis, who lured her with visions of luxury and marriage, nothing for her art and ... her for the widow ... Kennedy.

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... best comedy actor.

Britain and Euro: Not 'If' but 'When'

5 Years After 'Black Wednesday,' Mood of Acceptance Takes Hold

By Tom Buerkle
International Herald Tribune

LONDON — It was a day no one in Britain will forget. Fighting massive speculation in the financial markets, the government jacked up interest rates by 50 percent in a desperate bid to defend the pound, only to let the nation's currency crash hours later.

Five years ago this week, Black Wednesday was the seminal event of Britain's recent political history. Sterling's collapse put a humiliating seal on the country's deepest recession since the 1930s, began the inexorable demise of Prime Minister John Major's Conservative government and inflicted lasting damage to Britain's relations with its European Union partners.

But now, the question of British participation in the euro has become the hottest debate in town. And it is a sign of the sea-change in politics here since the landslide victory of Tony Blair's Labour government in May, as well as the growing belief in the likelihood of European monetary union, that the question is as much one of when, as of whether, to join.

Growing numbers of business leaders have come out in recent weeks in favor of eventual U.K. membership in monetary union, which they believe will guarantee unfettered access to European markets and eliminate the hefty interest-rate premium that British companies pay compared to their Continental competitors. The British Chamber of Commerce last week urged the government to plot a strategy for entry in 2002, when euro notes and coins are due to come into circulation across Europe.

"A decision on whether or not we're going in, and when, is required as soon as possible to enable business to prepare," said Ian Peters, the chamber's deputy director general.

Among bankers and brokers in the City, London's financial district, the traditional skepticism about economic and monetary union is being replaced by a growing acceptance of, or resignation toward, its likelihood. The decision last weekend by EU finance ministers to move up the announcement of the method for fixing bilateral exchange rates to next May, eight months before the actual start of monetary union, has strengthened the conviction that the euro will be launched by a large group of countries, making it more difficult for Britain to remain outside.

Expectations of British entry have helped bring the pound down from a summer peak above 3.00 Deutsche marks, with many analysts expecting it to head toward a sustainable, long-term range of 2.50 to 2.60 marks. The pound was quoted at closing Wednesday at 2.834 marks.

"There are some big bets being placed that we are going in in the first wave," said Michael Hughes, chief economist at BZW Securities. Although Mr. Hughes believes the government will opt for a later entry around 2002, he said investors "correctly read the political tone as being pro-EMU."

Mr. Blair, in his campaign, remained noncommittal on monetary union, vowing only to defend Britain's best interests. But the government is now presumed to be in favor of joining. Just as important is its tremendous authority.

Mr. Blair has enjoyed almost universal praise for steering the monarchy and the nation through its grieving for Diana, Princess of Wales, and for winning an overwhelming victory for the creation of a Scottish Parliament.

With polls showing his approval rating at better than three to one, many analysts believe Mr. Blair could swing a skeptical public behind monetary union.

See EMU, Page 10

Wales Is Ambivalent On Referendum Eve

Many Are Undecided on Home Rule Vote

By Dan Balz
Washington Post Service

CARDIFF, Wales — If Scotland spoke with a roar in last week's referendum to create a new Parliament, Wales is approaching Thursday's home rule vote with a whisper.

The referendum to create a Welsh assembly represents the next step in Prime Minister Tony Blair's agenda of constitutional reforms. But the campaign here has been overshadowed first by the death of Diana and then by the referendum in Scotland.

On the eve of the vote, proponents were predicting victory, but public opinion polls showed almost a third of voters in Wales undecided, and judging from the campaign, even more may be unenthusiastic. The most recent public polls showed a small advantage for the proponents of the assembly, but nothing like the strong support the voters of Scotland were expressing in the run-up to their referendum.

Scotland voted by 3 to 1 to create a Parliament, and Labour Party officials in the Blair government had hoped that would provide fresh momentum to the campaign in Wales. That does not appear to have happened, although that vote may help tip the outcome in the final stage of the campaign.

A Labour Party slogan unveiled last week — "Don't Let Wales Get Left Behind" — did little to ignite enthusiasm initially, but supporters said they saw signs of growing interest. "It's getting better every day," said one after an afternoon of canvassing. "If we had another week, we'd be certain."

See WALES, Page 10

Luke Frazza/Agence France Presse

President Bill Clinton announcing his objectives Wednesday for tightening the tobacco industry accord. He proposed a $1.50 rise in the cost of a pack of cigarettes.

President Seeks Big Increase In Cost of Pack of Cigarettes

He Offers Proposals 'Building on' Tobacco Settlement

By Brian Knowlton
International Herald Tribune

WASHINGTON — Saying he was "building on" the $368.5 billion agreement to sharply restrict tobacco industry practices, President Bill Clinton announced objectives on Wednesday that he said he hoped Congress would back, including increasing the cost of a pack of cigarettes by $1.50.

The goals were welcomed by some critics of the tobacco industry, who said the settlement was too soft on cigarette makers.

But the proposals appeared certain to delay congressional action and might even derail the agreement, which initially was hailed by the White House as historic.

Mr. Clinton said that a final settlement must not reduce the authority of the Food and Drug Administration to regulate tobacco products, must include curbs on advertising aimed at children, must require the industry to expand anti-smoking educational campaigns and must provide for expanded research into the health effects of smoking.

"We have moved from confrontation and denial and inertia to the brink of action on behalf of our children," Mr. Clinton said at a White House news conference.

"We're building on the agreement, we're not tearing it down, and I think we can get legislation that will reflect that."

A Philip Morris executive quits. Page 13.

His suggested a $1.50 a pack price increase to be phased in over 10 years — far above the 62-cent increase envisioned in the current agreement. A package of cigarettes in Washington, D.C., currently costs about $2.50.

Overall, about 45 million Americans smoke.

The president's proposal would cost the industry roughly twice the $368.5 billion agreed to in June, analysts said.

See SMOKE, Page 10

The Dollar		
New York	Wednesday @ 4 P.M.	previous close
DM	1.7724	1.7693
Pound	1.6013	1.5955
Yen	120.90	121.225
FF	5.951	5.9435

The Dow		
change	Wednesday close	previous close
-9.48	7886.44	7895.92

S&P 500		
change	Wednesday @ 4 P.M.	previous close
-2.65	942.99	945.64

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AGENDA

Dispute Over Western Sahara Moves Toward Referendum

Moroccan officials and rebels in Western Sahara have agreed on a three-point plan to pave the way for a settlement of the decades-old dispute over the northwest African territory, a United Nations mediator announced.

The mediator, James Baker, the former U.S. secretary of state, said the plan laid the groundwork for a referendum to give voters a choice between independence or integration with Morocco.

The two sides agreed on a proposed code of conduct for an election, a declaration that would give authority to the United Nations during a transition period and principles governing the process of identifying eligible voters. Page 6.

Land-Mine Foes Outlast Clinton

U.S. Ends Drive to Dilute Pact, But Says It Is Unable to Sign

By Charles Trueheart
Washington Post Service

OSLO — The United States abandoned its efforts to dilute an international treaty to ban the use of anti-personnel land mines on Wednesday, removing the lone obstacle to the agreement's adoption by about 100 countries on Thursday.

The move all but guaranteed that the land-mine prohibition will go into effect without the signature of the United States, which sought unsuccessfully to write into the treaty exemptions for the use of anti-personnel mines on the Korean Peninsula.

Washington also initially proposed that the overall ban not become effective for nine years and that a country could withdraw from the treaty in time of war.

Other major mine-deploying countries that were either observers or nonparticipants in the three-week conference in Oslo are China, Russia, India, Pakistan, Iran and Iraq. None of them is expected to sign the treaty in Ottawa in December.

Human-rights and other humanitarian organizations that lobbied for the treaty were jubilant at the outcome of the grueling negotiating process, which was initially dismissed as quixotic and unrealistic. Support for the treaty gathered momentum this year from the well-publicized sponsorship of Diana, Princess of Wales, before her death the day before the conference opened.

"Humanity still has the power to move nations," said Louise Doswald-Beck of the International Committee of the Red Cross, a leader of the land-mine campaign. "This is a wonderful day for international humanitarian law."

[In Washington, President Bill Clinton announced that the United States would not sign the treaty, Reuters reported.

["Unfortunately as it is now drafted I cannot in good conscience add America's name to that treaty," Mr. Clinton said.

[Mr. Clinton said he felt that the Korean Peninsula exemption was necessary to protect U.S. military personnel and that putting them in increased danger was "a line that I simply cannot cross."

[Trying to soften the blow, Mr. Clinton said he was directing the Defense Department to develop alternatives to land mines. He pledged to help efforts to clear minefields in eight new countries, including Chad, Zimbabwe and Lebanon. He also proposed an increase in U.S. funding for such operations by 25 percent, beginning next year.]

The ban campaigners seemed more relieved that the United States had not been able to inject loopholes into the text than they were dismayed that Washington would not set a moral example to holdout countries by becoming a party to the treaty.

"I'm pleased the United States had the grace to withdraw," said Jody Williams, head of the umbrella International Campaign to Ban Land Mines.

See MINES, Page 10

Hubert Delo/The Associated Press

A Ukrainian crewman being aided Wednesday in Sarajevo.

Bosnia Crash Kills German Diplomat and 11 Colleagues

Compiled by Our Staff From Dispatches

PROKOSKO, Bosnia-Herzegovina — A UN helicopter crashed Wednesday into a fog-shrouded mountain in central Bosnia, killing a senior German diplomat and 11 others working to translate the accord that ended Bosnia's three-and-a-half-year war into a lasting peace.

The German envoy, Gerd Wagner, was a deputy to the top peace mediator, Carlos Westendorp of Spain. Also killed were five Americans, four Germans, a Briton and a Pole, said Foreign Minister Klaus Kinkel in Bonn. The victims were not identified pending notification of next of kin.

Four Ukrainian crew members of the UN helicopter survived the crash, two of them with light injuries, Mr. Kinkel confirmed.

The United States said the helicopter crash appeared to have been an accident. "We have no reason to believe the crash was anything other than an accident," a State Department spokesman, James Rubin, said.

Mr. Wagner, 55, was responsible for easing the return of refugees to their prewar homes — one of the make-or-break elements of the U.S.-brokered Dayton peace accord.

In place only since June, Mr. Wagner also helped smooth the contentious relations between the Muslims and Croats who are supposed to cooperate in governing the half of Bosnia they control. Bosnian Serbs control the other half.

Mr. Wagner and his delegation, including staff members from Mr. Westendorp's office as well as UN staff believed to be police monitors, were en route to meetings in Bugojno, 95 kilometers northwest of Sa-

See BOSNIA, Page 10

Intel Trashes an Axiom of the Computer Age

New Chip Portends Another Level of Frenzy in Machine Building and Buying

By John Markoff
New York Times Service

SAN FRANCISCO — The world is no longer flat. Earth is no longer at the center of the solar system. And Moore's Law, a long-standing axiom of the computer age, is no longer true.

For three decades, Moore's Law has provided some semblance of forecasting certainty about the fiendish rate at which computer chips — and thus computers — become obsolete. The engineering and manufacturing cycle took roughly 18 months, according to the law, which gave little breathing room for people to design, build, buy and outgrow a computer, but at least gave consumers, corporate customers and computer makers a rule of thumb for planning purposes.

But on Wednesday, Intel Corp. announced a technology breakthrough that throws Moore's Law out the window.

Apple and Steve Jobs revive an old romance. Page 13.

Instead of simply doubling the amount of memory on a chip and thus increasing its speed and efficiency at the historic pace of every 18 months, the new technology could in some cases bring such improvements every nine months or faster.

The development, altering the basic physics of chip design in a way that engineers and computer scientists once thought impossible, portends a new level of frenzy in computer building and buying. But it also promises coming generations of chips with greater memory — and as with Moore's Law, continually falling costs.

[Intel said that one version of the new chip would be available in the first quarter of next year and another by the second quarter, Bloomberg Business News reported from Santa Clara, California. The company also said that a 64-megabit version of the chip in quantities of 10,000 would cost $29.90 each.

See INTEL, Page 10

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The Intermarket Page 4.

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Egypt	£E 5.50	S. Africa	R12 + VAT
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Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$30.00

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A Long Way From Vietnam, Marine Deserter, Now 48, Is Seized

By Tony Perry
Los Angeles Times Service

CAMP PENDLETON, California — When a 19-year-old private from Ohio named Randy Caudill deserted from the Marine Corps and fled to Canada, it was 1968 and America was beset by anger in the streets, political assassinations and bitter divisions over the war in Vietnam.

The year began with the Tet offensive and the aerial bombing of Hanoi. A spreading anti-war movement drove President Lyndon Johnson to drop hopes for re-election.

The war is long over. America has sent an ambassador to Hanoi and an anti-war protester is in the White House. But some accounts, it seems, from those days still must be reckoned.

Almost three decades after he fled, Randy Caudill spends his days under a kind of house arrest at the sprawling Camp Pendleton, awaiting punishment, a relic from an era of turmoil and tragedy in U.S. history.

Mr. Caudill was arrested a week ago at the state of Washington border as he attempted to return to Canada after an outing to visit his daughter. A routine Immigration and Naturalization Service computer check found a warrant for desertion from the Marine Corps.

He offered no resistance. Now 48 and suffering from severe arthritis, Mr. Caudill spent two days in a prison cell in Washington before he was flown under guard to San Diego and then brought to Camp Pendleton.

"He is just a quiet, small man who in 1968 made a decision," said Daniel Lecce, Mr. Caudill's military attorney. "He is not a political person. He is very shy, a good and decent man who raised a family and created a life for himself."

Mr. Caudill has come full circle. He was stationed at Camp Pendleton as a radio operator in early 1968 when his unit was given orders to go to Vietnam.

He spent a week in Ohio with his family. And then, like a number of others of his generation, some in uniform, some not, he chose to flee to Canada.

"We're all very worried about him," said his wife Twylla, a Canadian citizen and teacher who sponsored him for landed-immigrant status in Canada. "We love him. Why can't they just leave him alone after all these years?"

At a news conference Wednesday outside the main gate, Marine Corps officials said they were considering what charges to press against Mr. Caudill. The most likely charge is desertion, which carries a maximum penalty of five years in prison. A decision could come within days.

"The Marine Corps takes this very seriously," said a base spokesman, Captain Scott Lopez. Still, because Vietnam was not a declared war by Congress, desertion in time of war, which carries a death penalty, is not an option, he said.

But there are indications that the military is not eager to revisit the divisiveness of Vietnam.

Captain Lopez and Captain Joe Lisiecki, a legal affairs officer, were at pains to emphasize that Mr. Caudill was not in the brig and that he was not considered somebody who might flee. He was given a physical and prescribed medication for his severe arthritis, they said.

"He's being treated with dignity and being treated fairly, as any Marine would," Captain Lisiecki said.

In a similar case last year of a Vietnam-era

See DESERTER, Page 10

The 'Big Dig' / **Is Everybody Happy?**

Boston Road Project In a League of Its Own

By Blaine Harden
Washington Post Service

BOSTON — Artists could not abide the dust and noise. So the caring builders of the "Big Dig," an $11 billion project to gouge an eight-lane highway under downtown Boston, bought soundproof windows and a new air conditioning system for painters and sculptors who live near the construction site. Cost: $1.4 million.

Fish in Boston harbor were vulnerable to underwater blasting at the Ted Williams Tunnel, a part of the Big Dig. So the considerate builders of America's largest and most expensive public works project devised a "fish startling" system that spooked fish away before each blast. Cost: about $1 million.

The Boston Fire Department wanted a new fire boat, hardly the optimum fire-prevention apparatus for a tunnel. But the thoughtful builders of the Big Dig bought it anyhow. Cost: $230,000.

James Kerasiotes, chairman of the Massachusetts Turnpike Authority and the official responsible for Big Dig spending defends the keep-them-happy policy this way: "If you say no, the fire chief is going to say, 'I'm not going to let you run cars through that tunnel.' Well, guess what? If the fire chief doesn't let you run cars through that tunnel, you don't have a project."

The Big Dig is pioneering what its bosses describe as a completely new approach to rebuilding America's crumbling infrastructure. It is a costly melange of engineering, traffic management, eco-sensitivity, social work and wardheeling that may well become standard operating procedure across the United States, where roads and bridges need hundreds of billions of dollars worth of repairs.

Builders here are spending staggering sums — well over $1 billion a mile for 7.5 miles, most of it from federal taxpayers — to dig a gargantuan trench under a bustling city. About a quarter of that money is being used to anesthetize the locals from the pain of a filth-generating, nerve-shattering construction site that began fouling up Boston at the beginning of the decade and will not be completed until after 2004.

"The old way of doing this business was engineers showed up and people just got out of the way," said Peter Zuk, the project director. "We just can't do that anymore, especially in big cities like Boston. We are working on a massive scale here, but we have to manage on a small scale. We have to respond to the person who calls in the middle of the night and says construction is disturbing his sleep."

Mr. Zuk and the project's other managers love to point out that when Boston's old elevated road (which the underground highway will replace) was being built in the 1950s, about 20,000 dwellings were razed and people were forced to relocate. This time around, they say, no one will be forced from home. When the project is finished, engineers say, Boston will have a hidden superhighway, better traffic flow and a handsome park where the ugly old road used to be.

The massive cost and bravura engineering of the Big Dig is reminiscent of the great federal projects that President Franklin D. Roosevelt initiated to pull the country out of the Depression. Then, however, engineers were allowed to call all the shots and such issues as worker safety and environmental consequences were, at best, second thoughts.

A notorious example of that era was the construction in Washington state of the Grand Coulee Dam. Federal engineers assumed dictatorial control of a project that permanently blocked off the world's largest salmon highway, ruined the lives of many American Indians and killed more than 70 workers.

THE Boston project, owing to a labyrinth of environmental laws, safety regulations and political considerations, must step far more delicately. Officials are spending $60 million just for the police to keep the work site safe, an investment that is paying unexpected dividends: So far, there have been no work-related deaths, and managers say the project stands to save $600 million in insurance costs.

"We have made a conscious decision as a society that we now want to have certain quality-of-life controls on construction of infrastructure in this country, and that comes at a price," said Mr. Zuk, who makes no apologies for spending a quarter of the project's money mollifying various interest groups. "This is what we have ahead of us across the country as we rebuild our cities."

The Boston dig is one of about 40 interstate highway and bridge projects that will cost more than $1 billion each. In the Washington area, rebuilding the Woodrow Wilson Bridge will cost about $1.56 billion. In Philadelphia, a new interstate exchange will cost $2.1 billion. New York needs a staggering $75 billion in new infrastructure, according to the city's Regional Plan Association.

The political and environmental complexities of rebuilding worn-out roads and bridges will demand that ever more money be spent on the non-nuts-and-bolts items that are soaking up nearly a quarter of the Big Dig's billions.

With niceness, then, as an integral part of its mission, the project brings a curious arsenal of equipment and strategies to the task of highway building. Besides the gee-whiz statistics of a vast construction project, — enough steel reinforcing bars to encircle the globe, enough displaced dirt to fill baseball's Fenway Park 14 times, enough concrete to pour a sidewalk from Boston to San Francisco and back, three times — the highway dig employs all manner of people and devices to prevent Bostonians from losing their peace of mind: All night, every night, a senior manager drives around Boston to make sure that noise is under control and that no uncaring cowboy in a dump truck dares violate the project rule that you never use your back-up beeper after 11 P.M.

Flyers, posters and murals are given free to merchants near the work site to help them hold on to their customers and to allow them to camouflage their businesses from unsightly piles of construction junk. In "war room" sessions, traffic specialists, media consultants, construction engineers and police officers gather in front of a half-dozen television monitors to study Boston's chronically terrible traffic and figure out how to continue digging without making it worse.

Much of this "mitigation," as the mollifying measures are officially termed, seems to be working.

Predictions that the dig would sink Boston's economy are proving wrong. Rush-hour traffic moves no worse — and perhaps a bit better — than the snail's pace that prevailed before the digging began. Construction dust, the pounding of jackhammers and endlessly shifting traffic patterns have not hindered the Boston boom.

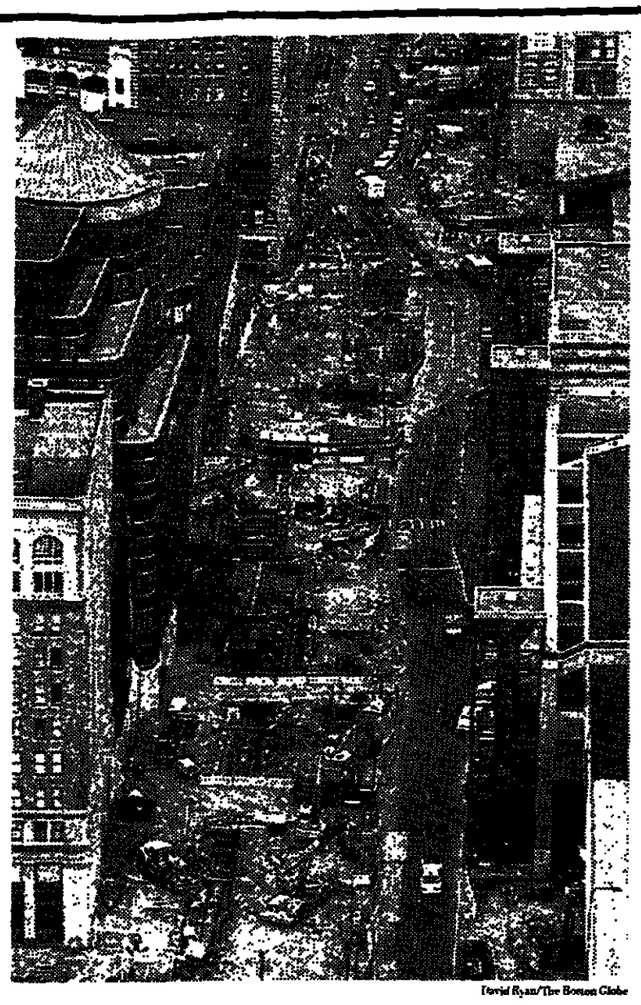
Unemployment of just 3.8 percent, along with soaring office rents, low vacancy rates and six years of solid growth, gives Boston one of the hottest economies in the Northeast.

"What we are attempting to do — and what I think we are succeeding at doing — is perform open-heart surgery on a patient who is continuing to work and play tennis," Mr. Zuk said.

Not everyone, of course, is so enchanted.

Boston Magazine has run a series of articles deriding the project as a deep-pockets Santa Claus, handing out favors to everyone shrewd enough to threaten a lawsuit. The phenomenal escalation in the project's cost, from an estimate of $2.56 billion in 1985 to last month's estimate of $11.6 billion by the General Accounting Office, has provoked criticism here and in Washington.

The major cause for local upset is that the federal government, which has been shouldering up to 85 percent of the cost, may soon cut its financing, under pressure from Southern and Western lawmakers in Congress. That could leave Massachusetts with a dizzyingly high bill to pay.



David Ryan/The Boston Globe

Construction of the 7.5 mile underground highway began fouling up Boston at the beginning of the decade and will not be completed until after 2004. At right, a stretch along Atlantic Avenue.

Paris Police Are Seeking Fiat Linked to Diana's Crash

By Anne Swardson
Washington Post Service

PARIS — The French police are searching for a blue Fiat Uno that may have played a role in causing the auto crash that killed Diana, Princess of Wales, and two others, police sources said Wednesday.

Investigators searching the tunnel in which the Mercedes S-280 crashed at high speed early Aug. 31 found shards of a taillight of another car more than a dozen meters before the spot where the Mercedes slammed into a pillar in the highway tunnel.

The sources emphasized that the only link was the "placement" of the taillight-casing pieces, which investigators have determined came from a small, two-door Fiat Uno, near fragments of the Mercedes's headlight more than a dozen meters before the point of impact with the pillar.

Fiat stopped making the Uno in 1994, though the year of the car is not known, the police said. In addition, the right side of the black Mercedes shows traces of blue paint, though it has not yet been determined whether it was a result of the accident or was already on the car.

Witnesses have reported hearing a long and loud screech of brakes in the tunnel before the thunderous impact.

Although postmortem tests have shown that the driver, Henri Paul, was impaired by the quantity of alcohol he had consumed, the possibility that a car in front of the Mercedes caused Mr. Paul to brake suddenly has not been ruled out.

The road going down into the tunnel shifts to the left just before the entrance, so a car traveling slowly inside would not be seen by a fast-moving car behind until the last second.

In addition, a feeder road comes into the tunnel from the right; cars that had come in from that direction would not have much time to build up speed.

Another possibility, raised frequently by spokesmen for the Ritz, the hotel for which Mr. Paul worked, and by spokesmen for its owner, Mohamed al Fayed, is that a vehicle belonging to one of the photographers following Diana that night blocked the Mercedes, either intentionally or unintentionally.

The man who may be able to tell exactly what happened that night is getting ready to talk. Trevor Rees Jones — the bodyguard of Diana's friend Dodi al Fayed, who was also killed in the accident — was in the front passenger seat and has been hospitalized with serious injuries, particularly to his face.

This week Mr. Rees Jones regained consciousness and on Wednesday sources said he would speak Friday with the two French magistrates investigating the accident.

"Trevor," his parents, Jill and Ernie, said in a statement, "can now sit out of bed for a few hours a day and has taken his first steps."

They said their 29-year-old son was "expected to make a complete recovery in time."

There have been some reports in the French press that Mr. Rees Jones, a burly former paratrooper, could not remember the events of that evening, but the reports have not been confirmed.

California Senator Begs to Differ on Mexico's Anti-Drug Effort

Los Angeles Times

WASHINGTON — A generally optimistic White House survey of Mexico's anti-drug activity has failed to convince Senator Dianne Feinstein, perhaps the most vocal congressional critic on the issue, that the country has become a fully cooperative partner with the United States in stemming the narcotics trade.

The California Democrat's wary reaction presaged the possibility of another bruising battle early next year when the administration goes through the annual process of either certifying Mexico as an anti-drug partner or finding it liable for possible economic and diplomatic sanctions.

"The overall tone of the report," Ms. Feinstein said, "is infused with a sense of optimism that Mexico has turned the corner and is finally on the road to defeating its drug trafficking problem. That view strikes me as unduly optimistic."

The report, prepared by the office of the federal anti-drug czar General Barry McCaffrey and released Tuesday, drew a more sympathetic response from Senator Paul Coverdell, who had joined with Ms. Feinstein earlier this year in fighting certification of Mexico. Overall, he said, he was "encouraged" by the report.

"I believe General McCaffrey recognizes that we must begin to better manage our border," the Georgia Republican said, "and the content of today's briefing suggests that he understands the true scope and complexity of the drug problem."

General McCaffrey was asked at a news conference whether he believed the report made a good case for certification of Mexico next year.

"We have a serious cooperation effort," he replied. "They are sick of the violence, the corruption and the threat to their own institutions, and so are we. And we are going to work together."

Ms. Feinstein, in contrast, said: "I do not believe that Mexico had earned certification last March. By the standard of this report, I am not at all sure they have earned it for this year. But there are still six months to go until the certification report is due. That is six months to produce results."

The report said corruption still hampered Mexico's anti-drug efforts. But it stressed the positive, praising Mexican officials for trying to deal with the problem. It predicted that Mexico would throw off the shackles of corruption as its political system became more democratic.

The report was an outgrowth of the certification battle this year. In a compromise, the Senate agreed not to vote to overturn certification after the administration promised an update on Mexico's anti-drug progress within six months.

Fog Stops Search In Namibia Crash

The Associated Press

WINDHOEK, Namibia — Heavy fog and strong wind cut short overnight search efforts for bodies and wreckage in the collision of U.S. and German military aircraft over the shark-infested waters off Namibia's Skeleton Coast.

"The search will continue as long as necessary," said Lieutenant Colonel Stony Steenkamp of the South African Air Force on Wednesday in Windhoek.

So far, only one body — that of a woman — has been found.

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TRAVEL UPDATE

U.S. Lifts Curb on Jamaica Airlines

KINGSTON, Jamaica (AP) — The U.S. government has lifted restrictions on Jamaican airlines flying to the United States, citing improvements in Jamaica's ability to ensure air safety.

The ruling from Federal Aviation Administration put Jamaica's Civil Aviation Authority in Category 1, the highest level in the ranking system, Jamaica's government announced.

The agency restricted Jamaican passenger service inside the United States more than two years ago.

A New Nonstop, Paris to L.A.

FORT WORTH, Texas (AFP) — American Airlines announced Wednesday that it would run a daily nonstop flight linking Paris and Los Angeles beginning in March 1998, pending official French approval. The company, which plans to use Boeing 767-300 planes, said no American carrier had offered nonstop Paris-Los Angeles service since September 1994.

Tourist arrivals in Sri Lanka are expected to grow 30 percent, to 390,000, in 1997 because of the perception that the security threat from the nation's civil war has diminished, a tourism industry official said. *(Reuters)*

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Pleasantly warm in the Northeast and Southeast Friday through Sunday with sunshine. Very warm to hot in Texas. It will be cool with some showers across the northern Plains and central Rockies. Milder air will return to the Pacific Northwest with some sunshine.

Europe Much cooler weather will affect Germany and Poland Friday through Sunday with a couple of showers. Cool Friday in Scotland, but sunny and milder over the weekend. Warm across southern Europe with a mix of clouds and sunshine, but a few showers will affect Spain and southern Italy.

Asia Much cooler weather will affect Beijing Friday through Sunday. Warm Friday in Seoul, but cooler weather will arrive on the weekend. Warm and humid in Tokyo and Hong Kong, with a couple of showers. Sunny and nice in Shanghai, but monsoonal rains will persist over southern India.

Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Alicante	26/79	18/64	pc	27/80	18/64	pc
Amsterdam	19/66	10/50	c	14/57	9/48	pc
Ankara	22/71	7/44	pc	24/75	8/43	sh
Athens	32/71	15/59	pc	28/79	17/62	pc
Barcelona	23/73	17/62	pc	25/77	17/62	pc
Belgrade	26/79	12/53	s	25/77	12/53	pc
Berlin	18/64	9/48	c	13/55	6/43	pc
Brussels	20/71	12/53	pc	17/62	11/52	pc
Budapest	24/75	14/57	pc	25/77	8/46	s
Copenhagen	13/55	4/39	c	8/46	4/39	s
Costa Del Sol	27/80	18/64	pc	29/84	19/66	pc
Dublin	15/59	13/55	r	18/64	13/55	pc
Edinburgh	13/55	6/43	pc	16/61	9/48	s
Florence	28/82	14/57	s	27/80	15/59	pc
Frankfurt	19/66	8/46	pc	13/55	3/37	pc
Geneva	25/77	12/53	s	22/71	11/52	pc
Helsinki	12/53	3/37	sh	9/48	2/35	pc
Istanbul	24/75	13/55	pc	24/75	15/59	pc
Kiev	21/70	12/53	pc	19/66	4/39	pc
Las Palmas	26/79	21/70	s	27/80	20/71	pc
Lisbon	28/79	17/62	pc	26/79	18/64	pc
London	21/70	12/53	pc	19/66	13/55	pc
Madrid	29/84	14/57	sl	30/86	15/59	pc
Mallorca	27/80	16/61	pc	29/84	17/62	pc
Milan	28/82	14/57	s	26/79	15/59	pc
Moscow	18/64	10/50	c	15/59	3/37	pc
Munich	20/71	11/52	pc	19/66	7/44	pc
Nice	26/79	19/64	s	26/79	18/64	pc
Oslo	11/52	1/34	c	9/48	3/37	pc
Paris	25/77	13/55	pc	19/66	11/52	pc
Prague	23/73	11/52	c	17/62	3/37	n
Reykjavik	7/44	6/43	pc	15/59	12/53	s
Riga	14/57	4/39	c	9/48	2/35	pc
Rome	26/79	16/61	s	27/80	16/61	pc
St Petersburg	13/55	6/43	r	7/44	2/35	pc
Stockholm	11/52	1/34	pc	7/44	2/35	pc
Strasbourg	26/79	14/57	pc	23/73	10/50	pc
Tallinn	12/53	4/39	sh	8/46	1/34	pc
Tbilisi	28/71	13/55	c	26/79	17/62	pc
Venice	25/79	16/61	pc	25/77	14/57	pc
Vienna	24/75	14/57	c	19/66	8/46	pc
Warsaw	19/66	9/48	c	14/57	1/34	pc
Zurich	24/75	13/55	s	21/70	11/52	pc

Middle East

Abu Dhabi	42/107	24/75	s	39/102	24/75	pc
Beirut	27/80	19/66	s	28/82	21/70	pc
Cairo	32/89	18/64	s	30/86	18/64	pc
Damascus	32/89	12/53	s	31/88	13/55	pc
Jerusalem	29/79	13/55	s	27/80	15/59	pc
Luxor	38/100	17/62	s	37/98	19/66	pc
Riyadh	41/106	21/70	s	39/102	24/75	pc

North America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Anchorage	13/55	6/43	r	12/53	6/43	sh
Atlanta	32/89	20/68	pc	30/86	18/64	pc
Boston	25/77	16/61	pc	23/73	14/57	s
Chicago	28/82	17/62	s	25/77	13/55	c
Dallas	35/95	22/71	pc	31/88	19/66	pc
Denver	27/80	10/50	pc	18/68	4/39	c
Detroit	26/79	14/57	s	23/73	13/55	pc
Honolulu	29/84	22/71	pc	31/88	23/77	pc
Houston	33/91	22/71	pc	31/88	21/70	pc
Los Angeles	27/80	19/66	fl	28/82	18/68	pc
Miami	32/89	24/75	pc	32/89	25/77	pc
Minneapolis	26/79	14/57	sh	20/68	8/46	sh
Montreal	23/73	11/52	s	23/73	14/57	pc
Nassau	32/89	23/73	pc	31/88	24/75	pc
New York	29/79	18/64	pc	24/75	17/62	s
Orlando	32/89	22/71	pc	33/91	23/73	pc
Phoenix	38/100	23/75	pc	36/97	22/71	s
San Fran	22/71	12/53	s	24/75	13/55	s
Seattle	19/66	9/48	pc	19/66	11/52	pc
Toronto	24/75	11/52	s	24/75	14/57	pc
Vancouver	17/62	6/43	pc	19/66	13/55	pc
Washington	29/84	17/62	pc	28/79	17/62	s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Almaty	25/79	12/53	pc	25/77	12/53	pc
Bali	30/86	20/68	pc	31/88	23/73	pc
Bangkok	31/88	23/73	r	30/86	25/77	c
Beijing	23/73	13/55	s	21/70	9/48	pc
Bombay	29/84	22/71	sh	30/86	23/73	pc
Calcutta	30/86	23/73	pc	31/88	24/75	pc
Cheng Mai	31/88	22/71	c	31/88	23/73	pc
Colombo	29/82	23/73	c	29/84	24/75	pc
Hanoi	29/84	23/73	sh	30/86	25/77	c
Ho Chi Minh	31/88	23/73	c	31/88	25/77	pc
Hong Kong	27/80	23/73	pc	28/82	24/75	c
Islamabad	40/104	23/73	s	39/102	19/66	r
Jakarta	31/88	22/71	pc	32/89	23/73	pc
Karachi	34/93	24/75	s	33/91	25/77	pc
K. Lumpur	31/88	22/71	r	32/89	24/75	pc
K. Kinabalu	29/84	22/71	c	30/86	24/75	pc
Manila	30/86	23/73	r	31/88	24/75	pc
New Delhi	35/95	24/75	s	34/93	23/73	pc
Phnom Penh	29/84	23/73	sh	30/86	24/75	pc
Phuket	31/88	23/73	r	32/89	25/77	c
Rangoon	29/84	23/73	c	30/86	24/75	pc
Seoul	23/73	11/52	s	22/71	13/55	pc
Shanghai	24/75	18/64	pc	24/75	19/66	pc
Singapore	30/86	21/70	pc	31/88	23/73	c
Taipei	27/80	20/68	c	28/82	23/73	c
Tokyo	28/82	25/77	sh	29/84	27/80	pc
Vientiane	29/84	22/71	r	30/86	23/73	c

Africa

Algiers	30/91	19/66	s	30/86	18/64	pc
Cape Town	24/75	13/55	pc	24/75	13/55	pc
Casablanca	24/75	18/64	s	26/79	19/66	pc
Harare	22/71	11/52	c	24/75	11/52	pc
Lagos	28/82	23/73	r	29/84	24/75	pc
Nairobi	29/84	11/52	pc	28/82	13/55	pc
Tunis	29/84	17/62	s	29/84	18/64	pc

Latin America

Buenos Aires	16/61	11/52	c	18/64	13/55	pc
Caracas	29/84	21/70	pc	30/86	22/71	pc
Lima	20/68	17/62	sh	22/71	17/62	pc
Mexico City	20/68	12/53	c	23/73	13/55	pc
Rio de Janeiro	27/80	22/71	pc	25/77	19/66	pc
Santiago	20/68	8/46	pc	23/73	10/50	pc

Oceania

Auckland	15/59	8/46	r	13/55	7/44	pc
Sydney	16/61	8/46	c	18/64	11/52	pc

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JAPAN	¥	28,000	12,130	57%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
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Paris Police Are Seeking Fiat Linked to Diana's Crash

By Anne Swardson

THE AMERICAS

Reno Shakes Up Funding Inquiry

After Missteps, She Is Replacing Justice and FBI Investigators

By David Johnston and Stephen Labaton
New York Times Service

WASHINGTON — Attorney General Janet Reno, embarrassed by missteps and discord in the Justice Department's investigation into presidential campaign financing, will replace the top federal prosecutor and FBI agent in charge of the inquiry with more experienced personnel.

The reshuffling, announced Tuesday, is an attempt to get tighter control over an investigation that has created internal tension and public accusations that Ms. Reno rejected an independent counsel in order to protect the White House.

The latest action is not expected to have direct effect on Ms. Reno's deliberations about whether an outside prosecutor is necessary to look into financing during the 1996 campaign.

But Justice Department officials say they hope the new team will provide her with a fuller understanding of the fund-raising practices of the White House and the Democratic Party as she weighs whether to ask a court to appoint an independent prosecutor — a step that some law enforcement officials now regard as increasingly likely.

Ms. Reno chose Charles La Bella, a federal prosecutor in San Diego, to head the prosecution team, in effect replacing Laura Ingersoll, a relatively unknown Justice Department prosecutor. Mr. La Bella worked under Rudolph Giuliani, now the mayor of New York, when Mr. Giuliani was U.S. attorney in Manhattan.

In 1990, Mr. La Bella prosecuted Imelda Marcos on racketeering charges, unsuccessfully, and has been involved in corruption cases in California.

The FBI team will be headed by James DeSarno Jr., who recently directed the FBI's New Orleans office. The ranks of lawyers, FBI agents and support employees is being enlarged from about 90 people to 130.

The personnel shifts seem unlikely to quiet Republican complaints about Ms. Reno's performance. Some members of Congress have threatened moves to oust her from office for her refusal to appoint an independent prosecutor.

The investigation has grown into a multiple-layered inquiry into fund-raising activities of dozens of people in Washington, on the West Coast and in Asia.

Ms. Reno was surprised two weeks ago by news reports disclosing aggressive fund-raising efforts by high administration officials like Vice President Al Gore. The reports included key details undiscovered by Justice Department investigators.

Some of those reports undermined Mr. Reno's principal explanation for resisting an independent prosecutor. She had said criminal law did not apply to the contributions being solicited by officials like Mr. Gore as long as the money was spent for general political party activities. But the reports showed that Mr. Gore had solicited funds that wound up going directly to finance the Clinton-Gore campaign.

Ms. Ingersoll reportedly preferred a more traditional investigative approach in which investigators first examined the role of individual contributors before moving up the chain to the Democratic National Committee and the White House.

By contrast, the FBI officials wanted to move quickly into the fund-raising activities by top political figures.

AMERICAN TOPICS

A Surprise Controversy: 'Stork' Parking Spaces

More and more shopping malls, supermarkets and other businesses are offering special parking spots in prime locations to pregnant women and mothers of infants. But the practice, much appreciated by most of the women, has drawn some surprisingly tart criticism.

The idea of offering "stork" or "stroller" parking close to store entrances, usually near parking spots for the handicapped, has spread rapidly. Store owners say they do it out of courtesy or as an added enticement to a sizable portion of the shopping population.

But a vocal minority of shoppers have taken umbrage, The Washington Post reports. Some resent the idea of treating pregnancy as a disability. Others ask why parents with children should be favored over, say, the elderly. In Dade County, Florida, apparently the first locality in the country to mandate the practice, one irate man even suggested special parking for golfers who, he said, "need to lug heavy golf bags to the clubhouse."

And some doctors say pregnant women should not be coddled this way; they advise their pregnant patients to park as far as possible away from store entrances, for the sake of exercise.

Short Takes

Collisions between airplanes and flocks of birds can have fatal effects, and not just for the birds; in the United States, these collisions cause $400 million worth of damage each year. At Kennedy International Airport in New York, the problem is particularly great, because a major bird sanctuary, the Jamaica Bay National Wildlife Refuge, abuts its runways. Environmentalists and the U.S. Park Service have resisted efforts to move bird flocks elsewhere.

So the airport has turned to the 4,000-year-old sport of falconry. (Other airports around the world have experimented with falcons, but Kennedy's is the largest program, according to The New York Times.) The trained birds, policing the area, appear to have been more effective than past attempts involving gull-shooting marksmen and booming propane cannons. Last year, the first full test of the falcon police, the number of midair collisions involving birds fell 61 percent.

Parents in Southern California see no humor in the marketing approach of a company that sells candy in containers reminiscent of those for cocaine, and soda pop under names like "D.O.A.," as in "Dead on Arrival." The company, Skeleteens, sells a white, powdery candy called Crave, which it packages in surplus medical test tubes, like "crack" cocaine vials, bearing labels like White Lie and Cloud Nine.

"When I saw it, I was shocked," said Peggy Allred, who noticed the candy when her 11-year-old grandson brought some home. "I just couldn't believe they'd be allowed to sell something like this."

The Food and Drug Administration, however, says that as long as contents are properly labeled, there is little that can be done.

Parents have begun a petition campaign against the company. A Skeleteens executive defended his company, calling the parents, "uptight, narrow-minded, self-righteous, mentally constipated hypocrites, afraid to have fun." May be time for his daily fix of Crave.

Brian Knowlton

John Harrer/The Associated Press

Governor Pete Wilson of California checking M-16 rifles for policemen.

Away From Politics

• **Defense Secretary William Cohen** ordered the military services to review training-flight safety procedures after two Air National Guard fighters collided off New Jersey. *(AP)*

• **Hundreds of students**, faculty members and lawmakers gathered in Austin to protest remarks by a University of Texas law professor who said that blacks and Hispanics were "not academically competitive with whites" and belonged to "a culture that seems not to encourage achievement." *(WP)*

• **With a dusting of snow** on the peaks of the Colorado Rockies heralding the return of winter, the air force halted its unsuccessful search for four bombs carried by an A-10 attack plane whose pilot inexplicably broke away from an Arizona training mission last spring, flew across Colorado and then crashed into a mountain face. *(WP)*

• **The Los Angeles police** department acquired 600 M-16 rifles to increase firepower against heavily armed suspects such as two armor-clad bank robbers who fired assault rifles at the police as officers' bullets bounced off them in February. *(AP)*

POLITICAL NOTES

Hearing on Financing Abuses Canceled as 3 Witnesses Balk

WASHINGTON — The House committee investigating campaign finance abuses abruptly canceled a hearing scheduled this week after three prospective witnesses refused to testify unless they were granted immunity from criminal prosecution.

Investigators scheduled the hearing after interviewing the witnesses during the last month without lawyers present, but the witnesses backed out once they obtained legal advice.

The cancellation was an unexpected setback for Representative Dan Burton, Republican of Indiana, who chairs the Government Reform and Oversight Committee. House Democrats and the White House have repeatedly questioned his expertise to lead the investigative panel.

Mr. Burton did not respond to requests for interviews, issuing a short statement that the hearing had been "postponed" and that he and the ranking minority member, Representative Henry Waxman, Democrat of California, were discussing the possible grants of immunity.

Mr. Waxman criticized the committee's leadership Tuesday. "It's been quite bizarre," he said, adding that Republicans "seem to be making one misstep after another." *(WP)*

House Rejects School Testing

WASHINGTON — The House has rejected President Bill Clinton's plan to give students national tests in reading and math, dealing him a significant setback on an initiative that has divided educators and state lawmakers across the country.

The vote set up a showdown with the Senate, which expressed strong support last week for national testing but set new terms for how it should be managed.

The proposal is one of the top priorities of Mr. Clinton's second term, but its fate depends on how Congress resolves its deep differences later this month.

After several hours of contentious debate on the federal government's role in education, the House voted, 295 to 125, to support a measure introduced by Representative William Goodling, Republican of Pennsylvania, that prohibits federal money from being spent on the tests. Mr. Clinton wants schools to begin using the tests on a voluntary basis in 1999.

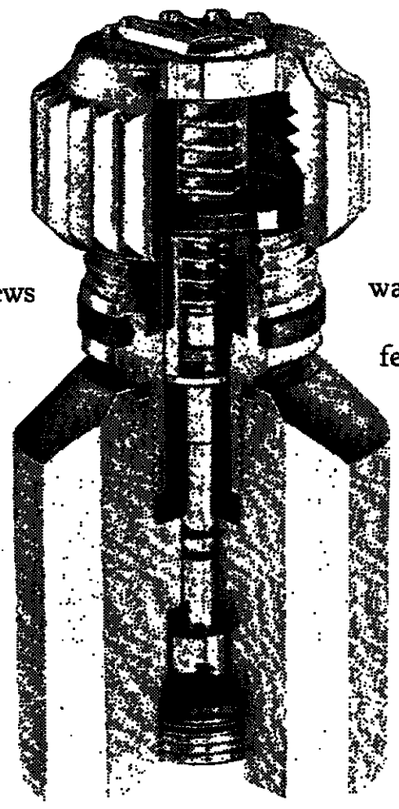
Opposition in the House crossed party lines and led to rare political alliances as more than 70 Democrats joined Republicans in opposing the tests.

Many conservative lawmakers denounced the plan as an unnecessary federal intrusion into the affairs of local schools. Some liberal voices in the House, including the Congressional Black Caucus, felt that the tests would unfairly stigmatize poor or minority students. *(WP)*

Quote/Unquote

President Clinton, saluting the Central Intelligence Agency on its 50th anniversary at a ceremony in which photographers and television crews were instructed by the CIA not to take pictures of the audience of about 3,000 employees: "By necessity, the American people will never know the full story of your courage. You labor in obscurity by choice and design, serving with quiet patriotism that seeks neither spotlight nor praise." *(WP)*

If it's good enough for a submarine,



This is the Triplock winding crown of a Rolex Submariner. It screws down on the solid Oyster case to close as securely as the hatch of a submarine, employing three separate seals in the process. The result is a watch that is watertight to 1,000 feet. A depth that very few divers – and, for that matter, few submarines – are ever likely to encounter.

it's good enough for a Submariner.

ROLEX
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Vietnam Party Chooses New Leadership Team

General Is Passed Over for Presidency

The Associated Press

HANOI — The Communist Party has identified Vietnam's new leadership, passing over a top general in favor of a relatively unknown person for the presidency.

Deputy Prime Minister Phan Van Khai, 64, has been chosen to be the new prime minister, while Tran Duc Luong, 60, also a deputy prime minister, will become president.

The Communist Party's decision-making Central Committee will present its selections for the two posts to the National Assembly later this week, a party official said Wednesday.

Both posts became vacant earlier this year when Prime Minister Vo Van Kiet and President Le Duc Anh opted not to seek re-election in National Assembly elections in July.

A senior party official confirmed the selections during a telephone interview Wednesday. The decisions were reached over two days of informal meetings by the Central Committee, said the official, speaking anonymously.

The leadership change will be ratified by the National Assembly when it convenes Saturday — a formality that is little more than a rubber stamp approval by the legislature.

Although Mr. Khai was widely expected to become Vietnam's new prime minister, Mr. Luong was a surprise, representing a significant concession by the country's military leadership.

Mr. Luong, from the central Vietnamese province of Quang Ngai, is a mining engineer who was elected to the Politburo last year.

Traditionally, the presidency has represented the interests of the military within Vietnam's troika leadership that also includes the prime minister and Communist Party general secretary.

General Anh, 76, the outgoing president, was formerly an army general and promoted Marxist-Leninist orthodoxy during times of tremendous economic reform in Vietnam.

In the run-up to the final decision, a prominent military leader, General Doan Khue, was widely expected to become the new president.

Mr. Khai, like his predecessor, Mr. Kiet, 74, is from southern Vietnam and represents interests in continued economic reform, analysts say. He spent five years during the 1960s studying economics in the Soviet Union.

General Anh and Mr. Kiet both resigned from the National Assembly earlier this year, clearing the way for the leadership change. Vietnam's president and prime minister must be selected from within National Assembly ranks.

The leadership change will probably not represent any significant shift in party or government policy, but it does reflect a move toward a younger administration.

"The change in the leadership has taken place in a normal manner," Mr. Kiet said. "Whoever is elected to the top leadership will respect what the people have chosen and decided."

The leadership selections, however, took place in secret, away from public scrutiny and the direct input of National Assembly delegates.

The 168 Central Committee members will meet with representatives of the National Assembly over the next few days to unveil the decisions, the party official said.

Gunmen Slay 5 Iran Airmen In Pakistan

ISLAMABAD, Pakistan — Gunmen killed five Iranian Air Force technicians Wednesday in the northern Pakistani city of Rawalpindi, officials said.

Their Pakistani driver was also killed, and a sixth Iranian was wounded but not seriously hurt in the attack carried out by three gunmen at a major intersection, the officials said.

The motive for the attack was not immediately clear, but it may be linked to hostilities between militant Shiite and Sunni groups in Pakistan.

The Sunnis accuse neighboring Iran of arming and funding militant Shiites in Pakistan. Most Iranians are Shiite Muslims, while the majority of Pakistanis are Sunni Muslims.

Last week, the police arrested Malik Ishaq, leader of a militant Sunni Muslim group that they alleged was planning to assassinate the Iranian ambassador to Pakistan.

Iran protested the killings on Wednesday, and the Pakistani prime minister, Mian Nawaz Sharif, promised in a condolence message to President Mohammed Khatami of Iran that the gunmen would be tracked down.

Officials said the uniformed Iranians had been on their way by van from the Kamra aeronautical complex, 70 kilometers (45 miles) west of Rawalpindi, to an army air base in the city.

A bakery owner who witnessed the shooting said one of the three assailants, who all wore white baggy shirts and trousers, repeatedly fired an assault rifle in the air to keep people away.

A second man shot and killed the driver before firing at the Iranians. Two of them tried to run but were gunned down.

The Iranian technicians were part of a 21-member group on a training mission sponsored by the Defense Ministry and based at a military facility in Wah, about 30 kilometers west of Islamabad. They worked at the Kamra complex, officials said.

In February, Sunni Muslim militants attacked the Iranian cultural center in Multan, in Punjab Province, killing its Iranian director, Mohammed Ali Rahimi, and seven local staff members. The police blamed the attack on the Lashkar-i-Jhangvi group, an armed offshoot of the fiercely anti-Shiite Sipah-i-Sahaba Pakistan organization.

In January, supporters of Sipah-i-Sahaba Pakistan burned the Iranian cultural center in Lahore, one day after a bomb blast there killed the leader of the organization, Zia-ur-Rahman Faruqi, and 22 other people. Followers of the organization blamed Shiite militants for the bomb attack. *(Reuters, AP)*

Geoff Dale/Reuters

NEW ANGLE ON ANGLING — A fisherwoman, encased in a floating tube, heading for Lake Pupuke, New Zealand. The inflatable tube is said to increase maneuverability of fishermen without using a boat.

Allies Urge Hashimoto To Drop Sato

Reuters

TOKYO — Two parties in a loose alliance with Prime Minister Ryutaro Hashimoto's governing party on Wednesday demanded the resignation of a new cabinet minister who was convicted of bribery in the 1970s.

During a meeting with officials of the Liberal Democratic Party, officials of the Social Democratic Party and the New Party Sakigake called for the resignation of Koko Sato.

Mr. Sato's appointment to a key cabinet post during a reshuffle last Thursday was met with widespread public and media criticism and has caused Mr. Hashimoto's support rating to plunge.

Mr. Sato, a key player in the 1970s Lockheed payoff scandal, became the first convicted criminal in modern times to win a Japanese cabinet post. In the scandal, Mr. Sato, then deputy transport minister, was fined and given a two-year suspended prison sentence for taking $8,000 in bribes.

"Sato's entry into the new cabinet breaks the faith of the three-party alliance," the two parties said in a written statement.

The three-party alliance had allowed Mr. Hashimoto to govern until an opposition politician's defection early this month gave the Liberal Democrats an outright majority in the lower house of Parliament. The ruling party still needs support in the upper house.

Ruling party officials have told Mr. Hashimoto that the situation was "serious." Public support for the new cabinet has been waning since Mr. Sato's appointment to head the Management and Coordination Agency, which oversees deregulation and streamlining of the bureaucracy, holding the key to major reforms important to Mr. Hashimoto.

BRIEFLY

China Set to Begin Yangtze Dam Work

BEIJING — China has begun final preparations to block the Yangtze River for construction of the giant Three Gorges Dam and plans to keep a close track of possible earthquakes in the area, state media said Wednesday.

Construction crews will narrow two outlets on two cofferdams on China's longest river until the flow is cut off Nov. 8, paving the way for work on the 175-meter (578-foot) high dam, the Xinhua press agency said. *(Reuters)*

Evacuation Alert In Indonesia Town

JAKARTA — An Indonesian minister called for the evacuation of an east Sumatran town of around 45,000 people on Wednesday because smoke haze from fires in the area had cut visibility to zero.

Environment Minister Sarwono Kusumaatmadja told a news conference his ministry's two digit visibility index had registered zero in Rengat, 250 kilometers (150 miles) southwest of Singapore. *(Reuters)*

India Goes Ahead With Peace Talks

NEW DELHI — Prime Minister Inder Kumar Gujral reaffirmed his commitment to peace talks with Pakistan on Wednesday and said he was keeping his agenda open for a meeting next week with his Pakistani counterpart.

High-ranking diplomats have held two days of bilateral talks, and Pakistan's top negotiator, Foreign Secretary Shamshad Ahmed, met Mr. Gujral. *(Reuters)*

U.S. Holds Meeting With North Korea

WASHINGTON — U.S. and North Korean officials have met in New York ahead of Thursday's preparatory four-party peace talks with China and South Korea, the State Department said.

The bilateral meeting was to focus on bilateral concerns, the deputy State Department spokesman, James Foley, said. *(Reuters)*

Chinese Near Vote on Central Committee

Agence France-Presse

BEIJING — The Chinese Communist Party finished final preparations Wednesday for the election of its policy-setting Central Committee.

At a meeting led by President Jiang Zemin, the presidium of the 15th party congress approved a list of candidates for the Central Committee as well as the central commission for discipline.

The lists, drawn up during preliminary elections, were then submitted to delegates, who will vote Thursday, just before the closing session of the week-long congress.

On Friday morning, the new Central Committee will meet to elect the politburo and its standing committee.

Because the seven-member standing committee is China's major decision-making body, any personnel changes will be scrutinized by observers seeking clues to internal friction or policy shifts within the leadership.

■ Tibet Policy Praised

China hailed its Tibet policy on Wednesday and said that it was open to talks — but on Beijing's terms — with the exiled spiritual leader, the Dalai Lama, Reuters reported.

An education campaign aimed at monks and nuns, which began after a spate of bombings and riots last year, has helped to ferret out those seeking to split Tibet from the rest of China, according to Raidi, the head of Tibet's Parliament.

"In the past the management of temples and monasteries was in chaos," he said at a news conference.

"Since last year there have been no such riots or trouble and the situation is very good."

Tibet has been rocked by sporadic and sometimes violent demonstrations against Chinese rule. The Tibetan government last year ordered monks and nuns to undergo patriotic education and outlawed photographs of the Dalai Lama, who is revered as a god-king.

Some monks and nuns found to have broken the law or breached discipline have been expelled from their monasteries, Mr. Raidi said.

He added that China sought only to uncover criminal activity, comparing the situation to government crackdowns in the United States and Japan on religious cults that carried out violent acts.

BOOKS

THE COMPLETE STORIES

By Bernard Malamud. Edited and introduced by Robert Giroux. 634 pages. $35. Farrar, Straus & Giroux.

Reviewed by Richard Bernstein

BERNARD MALAMUD was one of the greats, a chronicler of spiky Jewish lives held in harsh suspension by the writer's unillusioned stare. This collection of the complete Malamud short-story opus begins with "Armistice" of 1940, about a grocer and his son in Brooklyn coping with an anti-Semitic supplier on the morning of France's capitulation to the Nazis. The last story is "Alma Redeemed" of 1985 (Malamud died the next year), in which Mahler's wife is haunted by the composer's ghost.

Reading these and the 53 stories in between, one almost can't stop, though the hour grows late and eyes grow weary. Malamud grips the reader as tightly as a vise, his vision as honest, unsparing and as tender as the gods'.

What gives these stories of egg candlers and idiots, charlatan rabbis, frozen food salesmen and assistant bookkeepers at linoleum factories their power? "An Apology," from 1957, gives an idea. It begins with two wise-guy policemen arresting a Jewish peddler, Bloostein, for hawking lightbulbs without a license. On the way to the police station, one of the policemen, named Walter, wants to stop at his home in Brooklyn to dry his wet feet. On the way back to Manhattan, Bloostein tries to escape and is knocked unconscious, which leads the police to release him. But Bloostein has lost some of his goods, and that night he shows up at Walter's Brooklyn home and demands "my little box lights" back.

What ensues is a kind of duel to the death, and if any writer saw the fundamental human relationship as such a duel, it was Malamud. Even after Walter uses his own money to buy him a box of lightbulbs, Bloostein continues to haunt the policeman's house and his life.

Bloostein is not after lightbulbs. It is justice that interests him, the dignity of the apology of Malamud's title, and only when he gets it does he walk away, until, as Walter looks out the window, "the long, moon-whitened street had never been so empty."

Like "An Apology," many of these stories are dense with stubborn character, the grim truculence of people refusing to let go of the tattered remnant of pride and glory left to them. The earliest stories in the collection, written when Malamud was in his late 20s and early 30s, take figures from the immigrant Jewish petty bourgeoisie and place them into struggles worthy of the Greeks.

As Malamud reaches what might be seen as his middle period in the 1950s and '60s, his world expands beyond the confined Yiddish-inflected world of his own origins into a more spacious arena. His characters speak English correctly now; they travel; the stories are less naturalistic, more fanciful, whimsical, allegorical, though they remain, as Richard Gilman (cited in Robert Giroux's helpful introduction to this book) wrote, "anchored in pebbly actuality."

MALAMUD is at the top of his form in his stories about Fidelman, a "self-confessed failure as a painter" who goes to Italy to study Giotto and stays for years. Fidelman endures under the prickly weight of his circumstances and, at times, triumphs heroically over them.

"The Jewbird" illustrates what Cynthia Ozick has called "the heat of a Malamudian sentence," the sudden unexpectedness of a narrational style reminiscent of Isaac Babel, Malamud's fellow master of the short-story form. "The window was open so the skinny bird flew in" is the story's opening line. "Flappity-flap with its frazzled black wings. That's how it goes. It's open, you're in. Closed, you're out, and that's your fate."

The bird, who perfectly satirizes a recognizably Jewish philosophy of chutzpah and self-abnegation, can talk, his first words being "Gevalt, a pogrom!" The bird's name is Schwartz, and he suffers from anti-Semitism as well as persecution by the antagonistic frozen food salesman named Cohen into whose home he has flown searching for a piece of herring with a crust of bread. The story is affectionate and sardonic, a funny, embittered reflection on the survivalist world that Malamud treated in more purely melancholy tones in his earlier stories. The Jews, it seems, have a rough time of it even when they take on the form of undernourished crows.

"Idiots First," another brilliant achievement, adds an absurdist, hallucinatory quality to the theme of Yiddish suffering. The story is about a father facing death, who strives to find money to send his grown, retarded son to an uncle in California.

Haunting the story like a evil demon is Ginzburg, a ticket collector at the railroad station with whom Mendel, the father, fights, producing this stunning scene: "Clinging to Ginzburg in his last agony, Mendel saw reflected in the ticket collector's eye the depth of his terror. But he saw that Ginzburg, staring at himself in Mendel's eyes, saw mirrored in them the extent of his own awful wrath. He beheld a shimmering, starry, blinding light that produced darkness."

There are many such passages in this collection, which establishes beyond any doubt Malamud's complete mastery of the short story. Malamud died just 11 years ago. We will not see his like again.

New York Times Service

BRIDGE

By Alan Truscott

A man who contributed more to bridge than anyone else in the world died recently in Manhattan and will be mourned by millions. Edgar Kaplan was a world-class player, a teacher, a system creator, an author, a journalist, an editor, a publisher, an administrator, a lawmaker and a witty commentator. The public knew him as the winner of 28 national titles in nearly half a century and as editor and publisher of The Bridge World magazine. He was the supreme authority on the laws, and as chairman of two laws commissions, at national and world level, he supervised revisions of the two codes, one for social players and one for tournament players.

Most of Kaplan's titles, including one in Dallas in March, were won with Norman Kay. Their partnership set new standards for efficiency, durability, compatibility and popularity. Their golden period was the late 60s, when they twice qualified to represent the United States in world championships, winning silver medals both times behind the Italian Blue Team. The diagramed deal in 1966 helped the partnership to qualify for the 1967 Bermuda Bowl contest in Miami Beach.

Kay as North could not open one no-trump, since that would have been weak in their style. He bid one club and raised to the two-level when Kaplan responded one spade.

The combined hands had 28 high-card points, but the contract was in jeopardy. It appears that South has four losers unless the defense is helpful, but Kaplan survived by skillful maneuvering. He won the opening club lead in his hand, drew trumps with the ace, king and jack, and ducked a club into the East hand.

The diamond five was led and won with the ace. Now South cashed the diamond king and led to the club ace in dummy. The club ten was led and the diamond nine was thrown. East won with the club queen, but was forced to lead hearts, and dummy's king gave Kaplan his 10th trick. Notice that if East had held a third diamond, South would still have been able to make the normal heart play leading toward the king.

NORTH (D)
♠ A K Q 8
♡ K 8
♢ 10 7 2
♣ A 10 8 7

WEST
♠ 9 2
♡ Q 7 6 5
♢ J 8 6 4 3
♣ 3 2

EAST
♠ 7 6 4
♡ A 10 3 2
♢ Q 5
♣ Q J 9 5

SOUTH
♠ J 10 5 3
♡ J 9 4
♢ A K 9
♣ K 6 4

Neither side was vulnerable. The bidding:

North	East	South	West
1 ♣	Pass	1 ♠	Pass
2 ♠	Pass	2 N.T.	Pass
4 ♠	Pass	Pass	Pass

West led the club three.

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Swiss Payouts Due Soon For Holocaust Victims

$1,000 for Many 'Means Food on Table'

By Alan Cowell
New York Times Service

BONN — Nine months after Switzerland committed itself to creating a fund to help Holocaust survivors, the first money is about to be paid out, Swiss and Jewish officials announced Wednesday.

An American Jewish leader said the projected amounts of up to $1,000 each would "make a difference between having food on the table or not" for thousands of aging Jews in Eastern Europe.

The process leading to the possible payouts has been long and tortuous, littered with acrimonious exchanges between American Jews and Swiss authorities and evoking a specter of anti-Semitism in Switzerland over charges that Swiss banks collaborated with Nazi Germany and displayed indifference to Jews seeking assets deposited in Swiss banks by Holocaust victims.

Even the final stage of identifying a list of Eastern European Jews who qualify for help was marred by a dispute inspired by the absence three days ago of American Jewish representatives from a scheduled meeting in Berne, Switzerland, of the panel set up to distribute funds currently totaling around $120 million.

In a show of anger, the Swiss government termed the absence of Jewish officials "incomprehensible," brushing aside American Jewish assertions that the absences resulted from sickness and scheduling problems. Rolf Bloch, a Swiss Jewish chocolate manufacturer who heads the panel, also criticized the American Jewish decision to stay away, saying only two out of 12 people who were supposed to attend the meeting had been sick.

Swiss newspapers criticized the absentees. "Empty chairs have a symbolic value," said Bund, a newspaper in Berne. "Accusations will be made that Jewish organizations are not serious about this help for Holocaust victims. Anti-Semitic voices can be expected."

A list of 12,000 names, drawn up by the American Jewish Joint Distribution Committee [illegible] Holocaust survivors in Eastern Europe, was to be handed over late Wednesday at the Swiss Consulate in New York to Alfred Defago, the Swiss Ambassador in Washington, according to Swiss and American Jewish officials.

"We welcome this because we want every step to be taken towards helping" Holocaust survivors, said Franz Egle, the Swiss Foreign Ministry spokesman in Berne.

The handover represents the first substantive step toward ensuring that money is actually paid to Holocaust survivors whose average age is almost 80 years. Mr. Bloch, chairman of the distribution panel in Switzerland, said it could be "one or two weeks" before funds were paid to Jewish organizations for distribution among Holocaust survivors.

Elan Steinberg, Executive Director of the World Jewish Congress in New York, said Jewish leaders expect a payout of around $1,000 per person to those on the list. Initially, he said, Jewish officials had expected to present a list of 40,000 names on Wednesday, but reduced that to 12,000 because only around $12 million had been earmarked from the Swiss fund as a "first installment" for immediate distribution.

Mr. Bloch said the names on the list would first be examined to ensure they qualified for payments. He said it was a "technicality" to release more money from the fund to meet the needs of all 40,000 survivors. In addition to those on the list, Mr. Steinberg said, several thousand more names have been identified by Jewish officials in Hungary and that list is to be handed over to the Swiss Embassy in Budapest.

The fund is made up of 100 million Swiss francs denoted by the country's big three commercial banks and a further 70 million from Swiss industry, for a total in current dollar terms of about $120 million. The Swiss National Bank has also pledged about $65 million.

Mr. Bloch said the bank still needed Parliament's approval to pay out the money it has pledged. A parliamentary committee has ruled that the money may be paid without approval, but that decision still has to be ratified by the full Parliament.

While the sum of $1,000 each for eastern European Holocaust survivors cannot be seen as compensation, Mr. Steinberg said, it will make an impact in lands where Holocaust survivors suffered the double hardship of Nazi persecution and Communist indifference during the cold war.

"For people who have pensions of $25, $35 or $50 a month — if they have pensions at all, this makes a difference between having food on the table or not, between having medical attention or not," Mr. Steinberg said.

Dan ... Sati ... Reuters

Mr. Moskowitz leaving a Jewish settlement Wednesday in East Jerusalem. He is backing Israeli settlers who refuse to vacate an Arab house.

Jerusalem Settlers Pose Dilemma for Netanyahu

Millionaire Seeks Injunction to Bar Eviction

By John Lancaster
Washington Post Service

JERUSALEM — Scrambling to avert a new and possibly violent confrontation between Israel and the Palestinians, Prime Minister Benjamin Netanyahu tried Wednesday to persuade a group of militant Israeli settlers to vacate a home they occupied earlier this week in an Arab neighborhood of East Jerusalem.

But the settlers and their American patron, Irving Moskowitz of Miami, refused to evacuate the site and announced that they would seek an Israeli court injunction to bar police from removing them by force. Mr. Netanyahu will await the outcome of a high court hearing on the case Thursday morning before deciding whether to evict the settlers by force, a senior aide said Wednesday.

[Mr. Moskowitz met Wednesday evening with Public Security Minister Avigdor Kahalani who tried to persuade him to have the settlers leave voluntarily. The Associated Press reported. But the two hours of talks ended without result. The two said they would meet again, however.]

The deadlock over the settlement at Ras al Amoud poses a serious challenge to Mr. Netanyahu, who postponed a trip to Europe to deal with the escalating crisis. On the one hand, he is eager to avoid a new confrontation between Israel and the Palestinian Authority, which has called the settlement a betrayal of the Oslo peace accords and a likely incitement to violence.

Some members of Mr. Netanyahu's rightist government, however, have supported the Jewish presence in Ras al Amoud and have threatened to leave the ruling coalition if the settlers are forcibly removed. Captured by Israel in 1967, East Jerusalem is claimed by both Israel and the Palestinians, who consider it the capital of a future Palestinian state.

In an effort to defuse the crisis, Mr. Netanyahu's aides floated a compromise proposal Wednesday under which the settlers would move out to make way for 10 yeshiva students. The students would then renovate the property, at which point the families would be allowed to move back in, according to an account on Israeli radio by Deputy Education Minister Moshe Peled, who has been acting as an intermediary in the discussions.

Palestinian officials rejected the proposal, as did Mr. Moskowitz and the settlers, albeit for different reasons.

"We have come back to our home," Mr. Moskowitz told Israeli radio during a visit to the neighborhood Wednesday afternoon. "I don't know what you mean by compromise. We came here to live. This property is owned by Jews, it was rented by Jews and there's nothing political about it."

The settlers moved into the home under cover of darkness late Sunday. The stone structure sits on a hilltop flanked by the Old City and the Jewish burial ground on the Mount of Olives. On Wednesday a circus atmosphere prevailed as rightist lawmakers visited the home to express their support while Israeli peace activists shouted slogans through bullhorns from a tent camp nearby.

Police have made a virtual armed camp of the neighborhood, which has been the scene of several violent protests by Palestinians, several of whom were arrested during a bout of rock-throwing Wednesday afternoon.

Although the annexation of East Jerusalem has never been internationally recognized, Mr. Netanyahu has repeatedly insisted that the city will remain Israel's "eternal" and undivided capital and that its Jewish residents should be able to live wherever they please.

William N. Oatis, Cold War Newsman, Dies

New York Times Service

NEW YORK — William N. Oatis, an Associated Press correspondent in Prague whose name became part of Cold War history when the Communists in Czechoslovakia forced him to confess to espionage and jailed him from 1951 to 1953, died Tuesday in Long Island College Hospital in Brooklyn. He was 83 and lived in Manhattan.

He died after a long illness, The Associated Press reported. After his release by Prague, The Associated Press named him a correspondent in its United Nations bureau in 1953, and he remained there until he retired in 1984.

Mr. Oatis was The AP's bureau chief in Prague when he was arrested there in May 1951, three years after Communists seized full control. His case became a highly publicized incident.

He was convicted in a Communist show trial and sentenced to 10 years.

After his release, Mr. Oatis wrote that he had been compelled to make his confession by being kept sleepless more than 40 hours and by psychological pressures and other abuses.

"On the first day I admitted that I had done unofficial reporting, which I had," he wrote. "Within three days I confessed that this was espionage, which by any Western standard it was not; and within seven days I confessed that I had spied for the U.S. government, which was a lie."

Eventually, President Dwight Eisenhower, shortly after taking office, wrote an irate letter to the Czechoslovak government on Mr. Oatis's behalf and in May 1953 he was pardoned. The Czechoslovak government said its leniency was prompted by a moving appeal from Mr. Oatis's wife, Lanabelle.

He was born in Marion, Indiana, and attended DePauw University. He was with the AP from 1937 until retirement — with time out in the 1940s for army duty and studies.

Judith Merrill, 74; Top Science Fiction Writer

The Associated Press

Judith Merrill, 74, one of the first women to gain prominence as a science fiction writer, died Friday in Toronto.

She was associated with Isaac Asimov and other science fiction writers in the United States during the 1940s as part of a group called the Futurians.

Her 1950 novel about nuclear war, "Shadow on the Hearth," was adopted for television.

Ms. Merrill grew up in New York and emigrated to Canada in 1968. She had a collection of thousands of science fiction books.

Serge Fliegers, 76, a Europe-based correspondent for Reuters and the Hearst newspapers from 1946 to 1971, died Tuesday at his home in Burrill, England, after a long illness.

A Big Step in the Western Sahara

Morocco and Rebels Agree to Plan That Could Lead to Vote

[illegible]

HOUSTON — Moroccan officials and rebels in Western Sahara have agreed on a three-point plan aimed at settling a decades-old dispute over the northwest African territory, a United Nations mediator announced.

The mediator, James Baker, the former U.S. secretary of state, said an agreement that would set the groundwork for a referendum, possibly within a year, would allow voters to choose between independence for Western Sahara or integration with Morocco.

"If we started today it would be another 10 to 11 months before we got to the election day," he said.

Mr. Baker said the two sides have agreed on a proposed code of conduct for an election and a declaration that would give authority to the United Nations during a transition period.

He said they had also agreed to principles governing the process of identifying which voters would be eligible to take part the referendum.

Mr. Baker said it remained to be seen whether the two sides would fully carry out this plan, which was first agreed to under a UN-brokered cease-fire in 1991.

"Of course, it's a lot easier to agree to do certain things some times than it is to do them," Mr. Baker said.

His announcement followed three days of talks in Houston and earlier rounds of discussions in Lisbon, Portugal and London.

Morocco, which has claimed the Western Sahara based on historical links, annexed the former Spanish colony in the mid-1970s. The Western Saharan rebels, known as the Polisario Front, have been fighting ever since for independence of the region. *(AP, AFP)*

BRIEFLY

Makeshift Computer Turns Mir Toward Sun

MOSCOW — The orientation system on the Russian space station Mir was back online Wednesday, keeping the station pointed toward the sun and recharging solar batteries that were drained during the most recent computer breakdown, officials said.

The makeshift computer, assembled from parts of broken down equipment, appeared to be fully operational. But since all spare parts have been used, space officials revised plans, announcing Wednesday that in addition to a backup computer to be delivered to Mir by the Russian spacecraft Progress, a second computer would be delivered by the U.S. space shuttle Atlantis, scheduled for launching Sept. 25. *(AP)*

Egypt Bans an Edition Of an Arabic Daily

CAIRO — Egyptian censors banned the Wednesday's edition of one of the Arab world's most respected newspapers because of an article on a disputed enclave on the Sudanese border.

The authorities seized copies at the Cairo printers of Al Hayat, a London-based daily owned by Prince Khaled ibn Sultan, a nephew of King Fahd of Saudi Arabia, a spokesman for the state censor's office said.

He said the edition was banned because of a report on a visit Tuesday by President Omar Hassan Ahmad Bashir of Sudan to the Halaib enclave, whose sovereignty has been disputed since Sudan gained independence in 1956. *(AP)*

Cuba to Seek Death For a U.S. Suspect

MIAMI — Cuba intends to seek the death penalty against an American charged with trying to start an uprising to overthrow Fidel Castro, the according to the U.S. State Department said.

The American, Walter Van der Veer, was arrested in August 1996 and charged with armed action against Cuba, as well as gathering materials for gasoline bombs and plotting attacks against police and tourists, the State Department said. A trial date has not been set. *(AP)*

Zapatistas Form Front

MEXICO CITY — The Zapatista guerrillas, who surfaced in January 1994 with an armed uprising against the government, have announced the creation of a political front to pursue their goals peacefully.

The formation of the Zapatista National Liberation Front was announced Tuesday at the end of a four-day meeting in Mexico City after 1,100 masked Zapatista rebels left their strongholds in Chiapas state and trekked 1,200 kilometers to the capital to revive support for their cause.

The front vowed to campaign for the rights of nine million Mexican Indians, its first priority and called for the removal of Mexican troops from all of the country's indigenous regions. *(AFP)*

Raid on Brazil Peasants

RIO DE JANEIRO — [illegible]80 armed and hooded men attacked a farm occupied by landless peasants, firing into the air and burning the encampment to the ground. At least two persons were seriously wounded.

The attack Tuesday at the Saudade ranch in Santa Izabel do Ivai, 670 kilometers southwest of Rio de Janeiro, was carried out "in a highly professional manner," said Roberto Baggio, coordinator of the National Movement of Rural Workers in Parana state.

He said that the attackers remained on the ranch after the peasants fled, and were seen with state police officers. A state policeman confirmed that the attack had taken place but denied any police involvement. *(AP)*

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EUROPE

Ulster Unionists Rekindle Hopes in Peace Talks

By Dan Balz
Washington Post Service

LONDON — The Ulster Unionist Party and other representatives of the Protestant majority in Northern Ireland joined the all-party peace talks Wednesday, but still refused to negotiate face-to-face with representatives of Sinn Fein, the political arm of the Irish Republican Army.

The decision by the Ulster Unionists, the largest political party in the region, rekindled hopes that the fragile peace process would not be knocked off course by the explosion of a bomb Tuesday in a village outside Belfast that left a police station, a livestock market and other buildings badly damaged. There were no serious injuries.

Protestant representatives immediately accused the IRA of carrying out the attack, and they demanded that Sinn Fein be thrown out of the peace talks. The IRA denied it was responsible for the attack, and security officials told wire services that they suspected an IRA splinter group was responsible.

The explosion unsettled officials attempting to push the talks forward and complicated the private discussions between the British and Irish governments and the Ulster Unionist Party and left Unionist officials in a defiant mood on Wednesday as they entered the building in the Stormont area in Belfast where the negotiations are being held.

"We have no illusions about the character of Sinn Fein," David Trimble, the Ulster Unionist leader, said. "We have not invited them to the table but we are not afraid of them and we're not running away from them. We are not here to negotiate with them but to confront them and to expose their fascist character."

Mr. Trimble was joined by representatives of several small, loyalist parties, who were boycotting the talks until the Ulster Unionists made a decision about whether to participate. The substantive talks formally opened Monday, but participants have been mostly marking time while talks officials tried to coax Mr. Trimble to the table.

Marjorie (Mo) Mowlam, the Northern Ireland secretary of state, praised Mr. Trimble and all the parties who have *now joined the talks, saying she wanted* to "pay tribute to the courage it's taken for them to come in, stick to their principles" and try by talking to move the process forward.

With the Protestant parties now in the building, the next step in the process will be a series of bilateral meetings, rather than the direct negotiations that will be needed to produce a resolution of the decades-long conflict between the Protestant majority and the Catholic minority in Northern Ireland.

Before Tuesday's bomb blast, a pro-unionist paper was predicting that face-to-face talks between the Ulster Unionists and other unionist or loyalist parties would not come for two weeks. With Mr. Trimble's party delaying its decision, the Sinn Fein leader, Gerry Adams, encouraged them to stop dithering and join the process.

On Wednesday, Mr. Trimble said his party was "not prepared to tolerate Sinn Fein being portrayed as the party of peace and the unionists as the problem."

"The truth is that unionists are genuine Democrats," he said, "but if we are outside the process that truth will not be recognized."

Sinn Fein was invited to participate in the talks for the first time after the IRA declared a cease-fire in the sectarian violence that has left thousands dead over the past 30 years. But Mr. Trimble and other unionists have expressed doubts about the sincerity of the cease-fire.

Crispin Rodwell/Reuters

A wasp landing on to the nose of Gerry Adams, president of Sinn Fein, as he entered the Stormont peace negotiations on Wednesday.

EU Told to Relax Ban on British Beef

Veterinarians' Advice May Benefit Exports From Northern Ireland

By Barry James
International Herald Tribune

BRUSSELS — An independent committee of veterinarians recommended Wednesday an extremely limited but symbolic lifting of the global ban on British beef exports that was imposed 18 months ago amid fears that "mad cow" disease could spread to humans.

The Scientific Veterinary Committee representing the 15 European Union members said that deboned meat could be exported from herds if computerized records proved that the cattle had never had any contact with the disease, bovine spongiform encephalopathy.

Britain does not have a nationwide computer system tracking its herds, but such a system is already in place in Northern Ireland, where the disease is rare.

The scientists also said it would be necessary to prove that the cattle had never been fed manufactured feed.

"Mad cow" disease reached epidemic proportions in Britain because animals were given feed containing the remains of diseased cattle.

The ban was instituted because of the suspicion that several people developed a form of the affliction, Creutzfeld-Jakob Disease, as a result of eating infected meat.

The disease causes loss of memory, dementia and inevitable death.

Experts said the lifting of the ban would be unlikely to apply to exports from the British mainland for a long time to come.

"We have to be realistic; there is still a long way to go," said Walter Elliot, president of the Ulster Farmers Union. "It is a positive step, but it is very limited with the best interpretation."

He estimated that farmers in Northern Ireland had lost £100 million ($160 million) a year as a result of the ban.

Even the limited easing of the ban could take months to be introduced. It must be approved by the European Commission, the EU's executive body. And it must be approved by the member countries, some of which — notably Germany — have strongly resisted British attempts to have the ban lifted.

The European Commission said this week that it would begin legal procedures against Britain because of the illegal export of banned meat to Belgium and Germany earlier this year.

French See Vichy Official's Trial as 'Useful'

The Associated Press

PARIS — Sixty-seven percent of the French say they believe that the war crimes trial of the former Vichy official Maurice Papon will be "useful" in learning about their country during World War II, according to a poll published Wednesday.

Mr. Papon, 87, is the highest-ranking official of the pro-Nazi Vichy regime to be charged with crimes against humanity, allegedly committed while he was a police supervisor in the Gironde region in southwestern France.

Mr. Papon is to go on trial in Bordeaux on Oct. 6 to answer charges he ordered the deportations of 1,690 Jews. He has repeatedly denied the charges, saying he sacrificed a few Jews to save others.

Mr. Papon recently said he was the "victim of a plot" to brainwash French youth into thinking France was a nation of Nazi collaborators. About 76,000 Jews were deported from France during World War II. Only about 2,500 survived.

The poll, conducted Sept. 11 to 12 by the weekly Evenement du Jeudi, showed that 77 percent of respondents said they believed Vichy bureaucrats like Mr. Papon played an "important role" in hunting down and persecuting Jews.

The poll also showed that the French were misinformed about their wartime past. Eight-four percent blamed the militia, an offshoot of the police that worked closely with the Gestapo starting in 1943, for the persecution and roundups of Jews. In reality, the sweeps were ordered by Vichy bureaucrats like Mr. Papon, and many took place in 1942.

Massimo Sambucetti/The Associated Press

PLEASING PILGRIMS — Pope John Paul II passing through St. Peter's Square on Wednesday before his weekly general audience.

BRIEFLY

Russian Miners Strike Over Pay

MOSCOW — Miners at major Russian coal fields have gone on strike to demand wages that have not been paid for as long as nine months, news agencies reported Wednesday.

In the Vladivostok region, where strikes began Monday, an acute energy crisis hit local cities and towns as power stations received no coal to produce electricity.

Interfax said miners in the Far East were owed 850 billion rubles ($145 million). Miners in Siberia, at the Oktyabrskaya mine in the Vorkuta coal region and the Pervomayskaya mine in the Kemerovo region, have also gone on strike.

Some miners have received no wages since the start of the year. *(Reuters)*

French Assembly Passes Jobs Bill

PARIS — The Socialist-dominated National Assembly of France approved an ambitious government program Wednesday to create 350,000 public sector jobs for young people over the next three years.

The measure, which passed by a vote of 303 to 166 with 38 abstentions, must now go to the Senate, Parliament's upper chamber, before becoming law.

Most of the center-right opposition opposed the bill, but three conservatives backed it and 37 abstained, reflecting embarrassment at opposing a popular measure. *(Reuters)*

Italian Minister Warns Separatists

ROME — The interior minister has warned supporters of the separatist Northern League that desecrating the flag is a crime that could land them in prison.

The minister, Giorgio Napolitano, issued the warning after a group of Northern League supporters jeered the Italian national anthem during a ceremony Tuesday marking the 50th anniversary of the union of Gorizia, in northern Italy, with the rest of the country. *(AP)*

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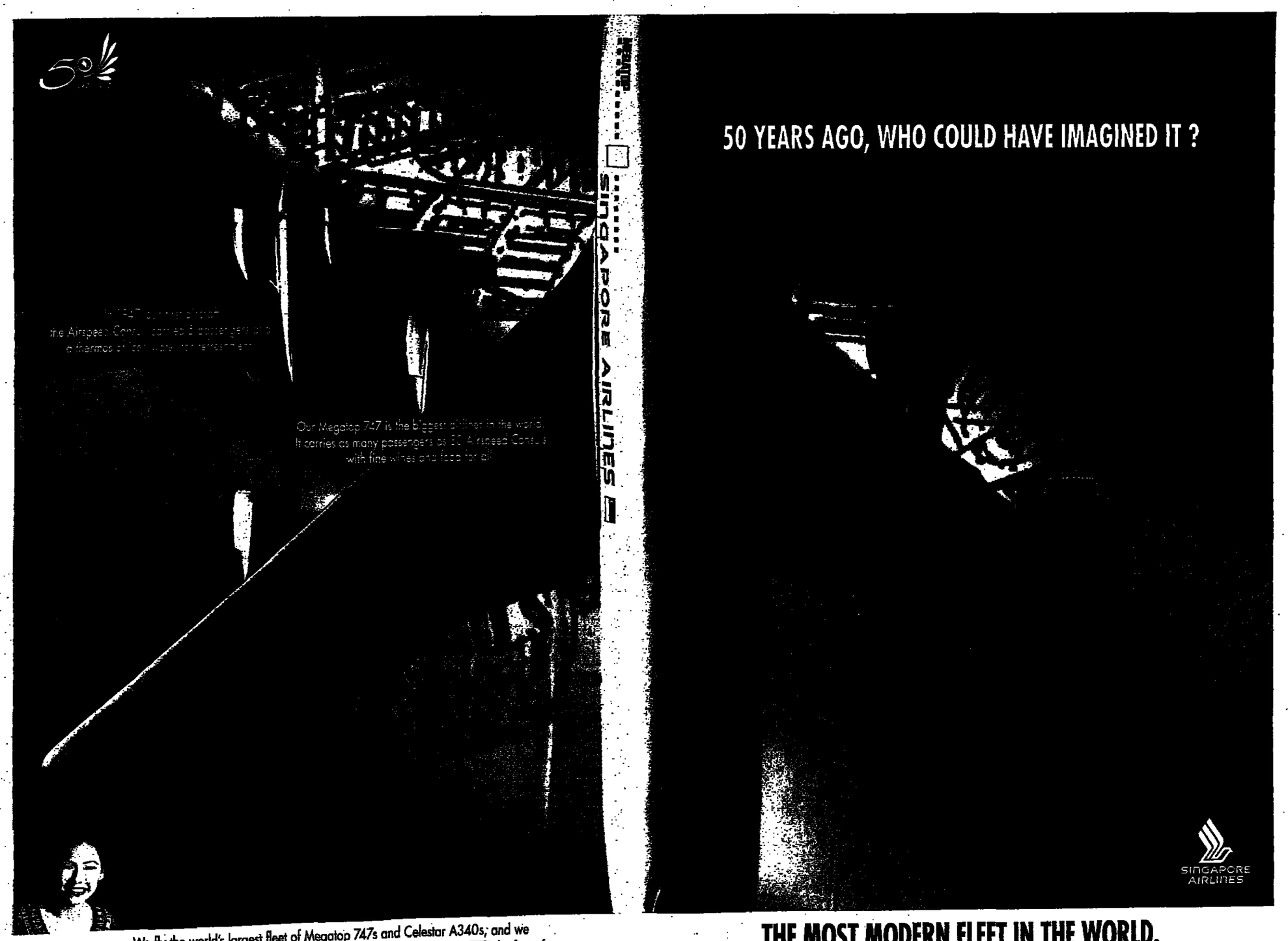

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d Citiport US Em Cap $ 133.16
d Citiport Latam Eq $ 104.73
d Citiport III ST Bond Lit 106774.00
d Citiport II Li Bd ITL 112280.00
m CL Asian Income Fund $ 135.54
m CL MGD Currency Fund $ 114.44
d India Focus Fund $ 11.23
d Money Manager $ 11.26
d Money Manager II $ 11.47
d Citiselect Ptfl Balanced Fd $ 11.30
d Citiselect Ptfl Growth Fd $ 11.30
d Citiselect Ptfl Enhanced Grth $ 10.95

038 CITIBANK GLOBAL ASSET MGT (ASIA) Ltd
Tel 00 852 2868 6296 Fax 00 852 2523 1379
w CIF (Cayman) Asia Eq $ 7.88
w CIF (Cayman) H.K. Eq $ 14.39

039 CITITRUST
w Cltiperformance Ptfl S.A. $ 22.085

217 COLBERT SECURITIES ASSET MNGT LTD
m CSAM Positioning Fd $ 20.49

040 COMGEST (33-1) 44 78 75 10
m C.F.E. Emer. Fund $ 15.3075
f C.F.E. Lotus Fund $ 17.0411
w Comgest Asia $ 12.9969
w Comgest Europe SF 2480.37
w Panda Sicav $ 720.32

041 CONZETT HOLDINGS LTD
Internet site: www.conzett.com
w Contravest Limited SF 2391.16
w Conzett Europe Invest Ltd SF 2181.47
w Conzett Forex Fund Ltd SF 4276.00
w Emerg Mkts Quant Fd Ltd DM 1306.75
w Equilibrium Fund Ltd SF 1718.74
w Sundower Trading Fd Ltd DM 2145.43

042 COWEN ASSET MANAGEMENT
Cowen Enterprise Fund N.V.
w Class A Shs $ 1180.05
w Class B Shs $ 2254.45

043 CREDIS INVESTMENT FUNDS
Tel +41 1 333 6500 Fax +41 1 221 3425
d CS Port (L) Fix Inc (DM) A DM 103.72
d CS Port (L) Fix Inc (DM) B DM 111.05
d CS Port (L) Fix Inc (SFR) A SF 102.03
d CS Port (L) Fix Inc (SFR) B SF 105.22
d CS Port (L) Fix Inc (US$) A $ 103.23
d CS Port (L) Fix Inc (US$) B $ 110.88
d CS Port (L) Inc DM A DM 115.07
d CS Port (L) Inc DM B DM 124.61
d CS Port (L) Inc (Lire) A Lit 115741.00
d CS Port (L) Inc (Lire) B Lit 131154.00
d CS Port (L) Inc SFR A SF 111.38
d CS Port (L) Inc SFR B SF 126.32
d CS Port (L) Inc US$ A $ 108.44
d CS Port (L) Inc US$ B $ 122.27
d CS Port (L) Bal DM DM 139.46
d CS Port (L) Bal SFR SF 131.56
d CS Port (L) Bal US$ $ 127.80
d CS Port (L) Focus SFR A/B SF 110.62
d CS Port (L) Growth DM DM 140.94
d CS Port (L) Growth SFR SF 130.61
d CS Port (L) Growth US$ $ 132.65
d CS Money Mkt (L) BEF BF 63970.00
d CS Money Mkt (L) CS C$ 1624.87
d CS Money Mkt (L) DM DM 1979.22
d CS Money Mkt (L) Ecu Ecu 1619.47
d CS Money Mkt (L) FF FF 7135.84
d CS Money Mkt (L) HFl Fl 1342.66
d CS Money Mkt (L) Lit Lit 1569200.00
d CS Money Mkt (L) Pta Ptas 158050.00
d CS Money Mkt (L) SF SF 729.43
d CS Money Mkt (L) $ $ 2110.47
d CS Money Mkt (L) Yen Y 147480.00
d CS Money Mkt (L) £ £ 1256.47
d CS Eq (L) Emerg Mkts $ 1261.67
d CS Eq (L) Eur Blue Ch A DM 461.08
d CS Eq (L) Eur Blue Ch B DM 496.93
d CS Eq (L) France A FF 1298.00
d CS Eq (L) France B FF 1383.15
d CS Eq (L) Germany A DM 422.80
d CS Eq (L) Germany B DM 473.80
d CS Eq (L) Gold Mines A $ 167.20
d CS Eq (L) Gold Mines B $ 188.17
d CS Eq (L) Hisp Iber A Pta 54174.00
d CS Eq (L) Hisp Iber B Pta 61615.00
d CS Eq (L) Italy A Lit 352137.00
d CS Eq (L) Italy B Lit 373217.00
d CS Eq (L) Jap Megat SF SF 229.85
d CS Eq (L) Jap Megat Y 20998.00
d CS Eq (L) Lat Amer $ 1168.06
d CS Eq (L) Netherlds A Fl 979.21
d CS Eq (L) Netherlds B Fl 1044.85
d CS Eq (L) Nth-Amer A $ 418.44
d CS Eq (L) Nth-Amer B $ 470.59
d CS Eq (L) Eco Effic B SF 155.24
d CS Eq (L) Small Cap Eur DM 1643.77
d CS Eq (L) Small Cap Ger DM 1162.03
d CS Eq (L) Small Cap Jap Y 53341.00
d CS Eq (L) Sm Cap USA $ 2304.18
d CS Eq (L) UK A £ 155.03
d CS Eq (L) UK B £ 176.74
d CS Eq Fd Emerg Eur SF 1256.16
d CS Eq Fd Euro Blue Chips SF 340.29
d CS Eq Fd Global SF 407.29
d CS Eq Fd Japan Y 7670.00
d CS Eq Fd Korea $ 451.40
d CS Eq Fd Pharma SF 1010.58
d CS Eq Fd Small+Mid Cap Switzd SF 332.71
d CS Eq Fd Swiss Blue Chips SF 1496.51
d CS Eq Fd Tiger $ 1082.40
d CS Bond Fd Dynamic DM DM 137.56
d CS Bond Fd Dynamic SFR SF 128.96
d CS Bond Fd Dynamic US$ $ 147.38
d CS Bond Fd Dynamic Yen Y 11946.00
d CS Bond Fd Dynamic £ £ 112.54
d CS Bond Fd Convertibles SFP SF 102.17
d CS Bond Fd Convertibles US$ $ 214.81
d CS Bond Fd (L) Aus$ A A$ 1246.27
d CS Bond Fd (L) Aus$ B A$ 1741.66
d CS Bond Fd (L) Can$ A C$ 1202.39
d CS Bond Fd (L) Can$ B C$ 1643.68
d CS Bond Fd (L) DM A DM 1227.32
d CS Bond Fd (L) DM B DM 1720.30
d CS Bond Fd (L) Ecu A Ecu 111.78
d CS Bond Fd (L) Ecu B Ecu 238.05
d CS Bond Fd (L) Em Mkts $ 1514.02
d CS Bond Fd (L) Europa A DM 246.27
d CS Bond Fd (L) Europa B DM 463.16
d CS Bond Fd (L) FF A FF 943.70
d CS Bond Fd (L) FF B FF 1388.22
d CS Bond Fd (L) Gulden A Fl 107.20
d CS Bond Fd (L) Gulden B Fl 177.62
d CS Bond Fd (L) Lire A Lit 284254.00
d CS Bond Fd (L) Lire B Lit 349534.00
d CS Bond Fd (L) Ptas A Ptas 23280.00
d CS Bond Fd (L) Ptas B Ptas 27663.00
d CS Bond Fd (L) Prime A SF 88.71
d CS Bond Fd (L) Prime B SF 155.77
d CS Bond Fd (L) Short DM A DM 105.38
d CS Bond Fd (L) Short DM B DM 107.02
d CS Bond Fd (L) Short A/S $ 102.09
d CS Bond Fd (L) Short $ A $ 102.76
d CS Bond Fd (L) Short $ B $ 190.61
d CS Bond Fd (L) SF A SF 287.03
d CS Bond Fd (L) SF B SF 366.46
d CS Bond Fd (L) US$ A $ 1074.34
d CS Bond Fd (L) US$ B $ 1630.36
d CS Bond Fd (L) Yen A Y 113602.00
d CS Bond Fd (L) Yen B Y 132555.00
d CS Bond Fd (L) £ A £ 610.70
d CS Bond Fd (L) £ B £ 1622.70
d Credis Capital DM 2000 DM 1622.70
d Credis Capital Ecu 2000 Ecu 1262.53
d Credis Capital FF 2000 FF 1276.68
d Credis Capital $ 2000 $ 1285.70
d Credis Capital SFR 2000 SF 1960.34
d CS Bond Fd Convertibles £ £ 107.70
d CS Bond Fd Global $ 112.22
d CS Emerald DM 108.09

020 CREDIT AGRICOLE INDOSUEZ LUX
m Decathlon Fund $ 107.29
m Decathlon Fund Ltd
m The Dragon Fund $ 82.66
b Maxima Fut Fd Ser I Cl A $ 171.127
b Maxima Fut Fd Ser I Cl B $ 112.741
b Maxima Fut Fd Ser I Cl C $ 111.241
m Indosuez Curr. Cl A Units $ 128.303
d Gartmore Japan Warrant $ 0.326
w Indosuez High Yld Bd A $ 185.67
w Indosuez High Yld Bd B $ 152.36
d Maxi Espana Ptas 17647.00
w Indosuez Latin America $ 10.12
w Indosuez Multimedia Fd $ 19.53
INDOSUEZ ASSET MGT ASIA
d Indosuez Asian Ptfl-Philip A $ 13.54
d Indosuez Asian Ptfl-Philip B $ 13.41
d ISA Asian Growth Fund $ 82.30
d ISA Japan Reg. Growth Fd Y 687.00
d ISA Pacific Gold Fund $ 12.76
d ISA Asian Income Fund $ 11.93
d Indosuez Korea Fund $ 7.43
d Shanghai Fund $ 18.34
d Himalayan Fund $ 16.12
d Manila Fund $ 17.82
d Malacca Fund $ 15.85
d Siam Fund $ 21.08
d Indosuez Hong Kong Fund $ 82.0720
d Indosuez Sing & Malay Tst $ 34.5452
d Indosuez Pacific Tst HK$ 36.3102
d Indosuez Japan Fd $ 12.12
d Indosuez Managed Tst $ 32.2486
d Indosuez Asian Ptf-Indon A $ 12.49
d Indosuez Asian Ptf-Indon B $ 12.53

044 CREDIT COMMERCIAL DE FRANCE
w Elysees Monetaire FF 17207.98
d Sam Acticasa USD B $ 1300.40

045 CREDIT LYONNAIS ROUSE (Bermuda) Ltd
m Sudamerica Ltd $ 12.957
CLR SELECT 31-07-97 (LUX REG)
m Div US$ Ord $ 7.84
m Div DM Ord DM 16.23
m Div FF Ord FF 42.70
m Div A$ Ord A$ 7.37
m Div US Gold May 99 $ 11.13
m Div A$ Gold Jan 2000 A$ 12.30

046 CURSITOR FUND
w Cursitor East Asian Eq $ 80.40
w Cursitor Gbl Bd Growrt $ 124.47
w Cursitor Gbl Gwth Sub-Fd $ 113.34

047 DARIER HENTSCH GROUP
Tel 41-22 708 68 68
d Hentsch Treasury Fd SF 9854.79
d DH Major Markets Fund SF 12733.03
d DH Mandarin Portfolio SF 173.441
d DH Swiss (Sic SMG) SF 1250.37
d DH Taiwan Port $ 67.719
d Samurai Portfolio SF 247.89
d DH Cyber Fund $ 109.369

048 DELTEC PANAMERICA TRUST CO. LTD
m Deltec Latin American Fd $ 34.32
m Deltec Worldwide Inc Fd $ 14.04
m Deltec High Yield Fd $ 11940.93

049 DISCOUNT BANK GROUP
w Scont Bd Mult Hgd Doival $ 1400.62
w Scont Bd Mult Hgd CHF SF 1200.40
w Scont Bd Mult Hgd FRF FF 5696.70
w Scont Bd Mult Hgd DEM DM 1090.54
w Scont Bd M H Short T USD $ 1133.87
w Scont Bd M H Short T FRF FF 5514.84
w Scont Bd M H Short T DEM DM 1028.30
w Scont Bd Multi CHF CHF 1085.00
w Scont Bd Multi USD $ 1083.12
w Scont Equity Euroval Ecu 232.24
w Scont Ed N. America $ 333.75
w Scont Ed French FF FF 1425.31
w Scont Ed Japan Y 68.29
w Scont Ed Technology $ 1302.79
w Scont Ed Asia Pacific $ 1129.64
w Scont Middle East Israel $ 1334.19

050 DISCOVER INVESTMENTS
w Discover Asia $ 9.06
w Discover Europe $ 13.62

051 DOSSIER DE GESTION COLLECTIVE
w Global $ 401.03
w America $ 142.52
w Europa SF 158.82

052 DRESDNER BANK INVESTMENT GROUP
DIT DT. INVESTMENT-TRUST, FFM
PO Box 110443,D60039 Frankfurt,Fax2631 4366
d Concentra + DM 88.19+
d Intl Rentenfond + DM 72.17+
DRESDNER KLEINWORT BENSON INT'L
MANAGEMENT SERVICES LTD
La Touche House - IFSC - Dublin 1
DSB Thornton Lat Am Sel Fd
d Conquistador Fund $ 10.89

053 DUBIN & SWIECA
Tel : (809) 945 1400 Fax : (809) 945 1488
m Highbridge Capital Corp. $ 20391.38
m Overlook Performance $ 3097.85

054 EBC FUND MANAGERS (Jersey) LTD
1-3 Seale St, St Helier : 44-1534-36331
EBC TRADED CURRENCY FUND LTD
d Capital $ 37.1310
d Income SF 23.5760
INTERNATIONAL INCOME FUND
d Long Term $ 34.9105
d Long Term - DMK DM 117.8865

055 ED & F MAN INVESTMENT PRODUCTS
(41)4403514, internet:http://www.edfman.ch
m Mint Limited - Ordinary $ 45.47
m Mint Limited - Income $ 13.45
m Mint Gtd Ltd - Spec Issue $ 24.06
m Mint Gtd Currencies $ 8.93
m Mint Gtd Currencies 2001 $ 8.06
m Mint G GL Fin 2003 $ 7.11
m Mint Plus Gtd 2000 $ 10.19
m Mint Plus Gtd Bond $ 107.50
m Athena Gtd Futures $ 22.72
m Athena Gtd Currencies $ 9.78
m Athena Gtd Financials Cap $ 12.31
m Athena Gtd Financials Inc $ 10.25
m AHL Alpha plc $ 158.44
m AHL Capital Mkts Fd $ 15.45
m AHL Commodity Fund $ 13.03
m AHL Currency Fund $ 17.30
m AHL Div Gtd Ltd $ 143.80
m AHL Div Gtd II Ltd $ 13.43
m AHL Div plc $ 14.82
m AHL Fd Ltd $ 9.51
m AHL Gtd Real Time Trd $ 13.48
m AHL Gtd Cap Mark. Ltd $ 19.72
m AHL Gtd Commodities Ltd $ 11.35
m MAN-Glenwood M.S. $ 137.85
m MAN-IP 220 Ltd $ 10.49
m MAN-IP 220 (92) Ltd $ 10.14
m MASI MG Plus $ 104.35
m MASI MG Series $ 103.28

EFG EUROPEAN FINANCIAL GROUP
PROTON FUND
w Proton US$ Cash Fd $ 6227.71
w Proton Ecu Cash Fd Ecu 2154.39
w Proton Swiss Franc Cash SF 5274.41
w Proton GBP Cash Fund £ 1013.05
w Proton Intl. Bond Fd-US$ $ 6539.23
w Proton Intl. Bond Fd-Ecu Ecu 8612.28
w Proton Intl Bond-GRD Grd 1009718.70
PROTON INTERNATIONAL B.V.I. INC
w Proton N American Eq Fd $ 9425.69
w Proton European Eq Fd Ecu 10894.00
w Proton Asian Eq Fd $ 1306.95
w Proton US Small Cap Fd $ 1609.41
w Proton Japan Fd $ 709.15
w Proton Emerging Eq Fd $ 846.80
w Proton Global Fd $ 108.22
w Global Opportunities Fund $ 111.14
w Proton Emerg. Stock $ 102.90
w Proton Multi-Cy Bd Fd FF 13212.22
w Proton Multi-Cy Bd Fd FF 11211.14

056 ERMITAGE LUX (352-4073 38)
http://www.Ermitage.com
w Ermitage Asian Hdgers $ 9.65
w Ermitage Selz Fund $ 87.83
w Ermitage Emer Mkts Fd $ 20.61
w Ermitage UK Value Fd £ 16.59
w Ermitage Odey Fund DM 25.62
w Ermitage Gbl Mining Invt $ 9.36

057 EUROPA FUNDS LIMITED
w American Equity Fund $ 350.24
w American Options Fund $ 432.47
w Asian Equity Fd $ 124.82
w European Equity Fd $ 219.86

059 EVEREST CAPITAL (Tel:+1-441-292-2208)
m Everest Capital Frontier Ltd $ 33.3692
m Everest Capital Intl Ltd $ 273.15

211 F.I. FOUNDERS ASSET MNGT-IOM
Tel: 44 1624 688200 Fax: 44 1624 688334
m F.I. Founders Fd Ltd $ 1003.72

060 FAIRFIELD GREENWICH GROUP
m Advanced Strategies Ltd $ 237.3970
w Fairfield Intl Ltd $ 274.65
w Fairfield Lambrap Ltd $ 103.5377
w Fairfield Sentry Ltd A $ 485.0000
w Fairfield Sigma Ltd $ 101.8853
w Greenwich Intl Ltd $ 640.26
w Marcus Investors Ltd $ 108.39
w Sentry Select Ltd $ 724.0180

061 FAIRWAY INTERNATIONAL LTD
w Marcus Fund DM 2064.52
w Stafford Asia Fund $ 906.22
w Stafford Opportunity Fd $ 1090.08
w Stafford Commodity Fd $ 1073.44

062 FERRIER LULLIN GROUP
w FL Trust Asia $ 173.46
w FL Trust Switzerland SF 241.86

063 FIDELITY INVESTMENT
Tel - 00 352 25135 230
d New Europe Fund $ 25.23
d World Fund $ 161.07
d Far East Fund $ 62.09
d Orient Fund $ 77.78
d Global Selection Fund $ 20.20
d Special Growth Fund $ 37.32

064 FINANSA GROUP (Fax 66 2 244-6677)
(Internet E-Mail:mailbox@finansa.com)
m The SEI Asia Frontier Fund $ 9.05

m The Vietnam Frontier Fund $ 10.64

066 FLEMING FUND MANAGEMENT
LUXEMBOURG (Tel : 352 34 101)
THE OASIS FUND SICAV
w International Equity Fund $ 11.2352

068 FOKUS BANK A.S. (Phone : 47-725 02 011)
w Fokus Intl Growth Fd $ 1.24

069 FOREIGN & COLONIAL EMERG MKTS LTD
Tel. London 171 628 1234
d Argentinian Invest Co Sicav $ 27.47
d Brazilian Invest Co Sicav $ 12.69
d Colombian Invest Co Sicav $ 7.11
d Indian Invest Co Sicav $ 12.81
d Latin Amer Extra Yield Fd $ 10.6766
d Latin American Invest Co $ 13.76
d Mexican Invest Co Sicav $ 20.71
d Peruvian Invest Co Sicav $ 19.93
d Polish Invest Co Sicav $ 13.60
d Taiwan Invt Co $ 17.09
d Gbl Em Mkts Inv Co Sicav $ 12.51
d Russian Investment Co $ 31.55

070 FORMULA GROUP
d Formula Fund NV $ 115.05

180 FRIEDBERG MULTI-SECTOR FUNDS
Tel: (416) 364-1171/Fax: (416) 364-8572
w Friedberg Currency $ 210.78
w Friedberg Fixed Income $ 1002.25
w Friedberg Equity Hedge $ 1070.99
w Friedberg New Zealand $ 1058.97
w Friedberg Global Opp Fd Ltd $ 1168.00

071 FUND MARKETING GROUP (BID)
P.O. Box 2001, Hamilton, Bermuda
m FMG Global (31 Aug) $ 20.77
m FMG N. Amer (31 Aug) $ 16.15
m FMG Europe (31 Aug) DM 25.56
m FMG EMG MKT (31Aug) $ 18.10
m FMG O (31Aug) $ 20.09
m FMG Fixed (31Aug) $ 12.53
m Global Dual Growth Fd $ 64.97
m The Russian Federal (31Aug) $ 44.52

FURMAN SELZ FINANCIAL SERVICES
Tel: +353 1 679 7974 Fax: +353 1 679 7978
w Canary II Fd Ltd $1239.2156E
w Justinian Corp $ 1442.59E
w Acacia USA Fund $ 118.22E
w Acacia USA Growth Fund $ 129.16E
w Crestwood Cap Intl Ltd $ 188.17
w Libre Investments A Ltd $ 21940.57E
w Saugatuck Intl Ltd $ 1440.80E
w Interquid Fund Ltd $ 14665.80E
w The Peters group Intl Ltd $ 931.43
w [illegible] $1788.3620E

GAIA CURRENCY FUNDS (FAX 82505)
Tel: 353 1 676 2118/Fax: 353 1 676 0570
w Gaia Hedge II $ 185.06
w GAIA Fx $ 189.06
m Gaia Guaranteed Cl. II $ 98.17

074 GEFINOR FUNDS
Geneva, Tel 41-22 7355530 Fax. 41-22 7860105
w Gefinor S.A. $ 14.25
w Scottish World Fund $ 645.1413

075 GENESEE FUND Ltd
w (A) Genesee Eagle $ 252.86

— 076 GLOBAL ASSET MANAGEMENT
IFAX: U.S. 82508, UK/Germ 82581,else 82502
INTERNET SITE http://www.ukdata.gam.com
OFFSHORE FUNDS
11 Athol St,Douglas,I of Man 441624-626037
w GAM £ Special Bond £ 169.16
w GAM Allocated Mult-Fd $ 569.58
w GAM Arbitrage $ 384.00
w GAM ASEAN $ 92.02
w GAM Asian Dev Mkts $ 281.90
w GAM Australia $ 196.47
w GAM Bond £ £ 147.40
w GAM Bond DM DM 120.09
w GAM Bond SF SF 161.97
w GAM Bond US$ Ord $ 197.86
w GAM Bond US$ Special $ 156.34
w GAM Bonds $ 129.36
w GAM Capital Appreciation Inc $ 109.59
w GAM CGFF Inc $ 162.56
w GAM Cross-Market $ 282.80
w GAM Diversity $ 112.09
w GAM Dollar and International $ 755.77
w GAM East Asia $ 263.76
w GAM Emerg Mkts Mult-Fd FF 7326.05
w GAM France $ 420.93
w GAM GAMCO $ 218.85
w GAM High Yield $ 125.81
w GAM Hong Kong $ 157.16
w GAM Interest Trend Fd Inc $ 1066.77
w GAM Japan $ 110.48
w GAM Leveraged Inc $ 211.21
w GAM Mill-Europe DM DM 202.57
w GAM Mill-Europe US$ $ 158.16
w GAM Multi U.S. DM DM 130.71
w GAM Multi U.S. US$ $ 938.43
w GAM Pacific $ 174.62
w GAM Pan Europa SF 168.01
w GAM Pan European $ 199.07
w GAM Science $ 950.96
w GAM Selection $ 175.99
w GAM SF Special Bond SF 648.80
w GAM Singapore/Malaysia $ 136.18
w GAM Tailos $ 200.94
w GAM Trading DM DM 269.12
w GAM Trading US$ $ 108.66
w GAM Trading II DEM Cl DM 122.67
w GAM Trading II STG Cl £ 103.79
w GAM Trading II USD Cl $ 427.03
w GAM U.S. $ 282.50
w GAM Universal US$ $ 949.47
w GAM Worldwide $ 764.09
w GAMerica $ 1504.81
w GAMut Investments $ 141.54
w GSAM CHF Composite SF 492.73
w GSAM Composite $ 177.04
w GSAM DM Composite DM 177.74
w GSAM GBP Composite £ 115.19
w GAMSAM Omega Fd Inc $ 216.90
w GSAM Oracle $ 100.42
w GSAM Money Mkts DM DM 100.05
w GSAM Money Mkts SF SF 101.75
w GSAM Money Mkts Ster £ 101.36
w GSAM Money Mkts US$ $
SWISS REGISTERED FUNDS 41-1-422 2626
Muhlebachstrasse 173,CH 8034,Zurich
d GAM (CH) Europe SF 149.00
d GAM (CH) Mondial SF 279.85
d GAM (CH) Pacific SF 275.80
IRISH REGISTERED UCITS
1 Georges Dock, Dublin 1,353-1-6702070
d GAM Asia Acc DM 102.21
d GAM Tokyo Fds GBP Cl Acc £ 81.57
d GAM Europa Acc DM 207.47
d GAM Orient Acc DM 183.71
d GAM Tokyo Acc DM 211.49
d GAM Total Bond DM Acc DM 140.81
d GAM Universal DM Acc DM 142.54
d GAM Columbus Acc $ 100.15
SEC REGISTERED FUNDS
Internet http://www.usinfo.gam.com
135 East 57th Street,NY 10022,212-888-4200
d GAM Europe Fund SF 14.15
d GAM Global A $ 18.60
d GAM Global D $ 18.41
d GAM International A $ 28.21
d GAM International D $ 28.09
d GAM North America $ 9.86
d GAM Japan Capital $ 17.03
d GAM Asian Capital $ 8.29
d GAM Pacific Basin A $ 13.91
d GAM Pacific Basin D $ 13.82
d GAMerica Capital $ 14.34

077 GLOBAL CAPITAL MANAGEMENT LTD
Bermuda:(441) 295-1622 Fax:(441) 295-6759
JWH GLOBAL STRATEGIES LTD
w GSL-JWH Original $ 188.46
w GSL-JWH Financial & Metals $ 257.27
w GSL-JWH Global Diversified $ 176.57
w GSL-JWH G7 Currency $ 126.18
w GSL-JWH Intl Curr & Bond $ 127.88
w GSL-JWH Global Financial $ 163.38

078 GLOBAL FUTURES & OPTIONS SICAV
m FFM Int Bd Progr-CHF Cl SF 74.25

GORDON HOUSE ASSET MNGT
m Optimal Fund $ 6.57

080 GOTTEX FUND MANAGEMENT
w E. Swap Fund Ecu 1054.50

081 GRANITE CAPITAL INTL GROUP
w Granite Capital Equity Fd $ 1098.60

082 GROUPE INDOSUEZ FUNDS 16/09/97
Tel : (352) 46 54 24 470
Fax : (352) 46 54 23
BOND PORTFOLIOS
d DEM Bond Dis 5.89 DM 8.10
d Diverbond Dis 2.80 SF 3.63
d Dollar Bond Dis 2.40 $ 2.96
d European Bd Dis 1.45 Ecu 1.82
d French Franc Dis 10.72 FF 16.57
d Global Bond Dis 2.41 $ 3.15
d Italian Lira Bond Lit 12215.00
d Pacific Income $ 12.70
d Spanish Peseta Bond Ptas 315.00
EQUITY PORTFOLIOS
d ASEAN $ 4.79
d Asia Pacific $ 4.46
d Continental Europe Ecu 2.77
d Developing Markets $ 3.92
d Eastern Europe $ 2.080
d France FF 15.72
d Germany DM 8.54
d International $ 2.30
d Italy Lit 16728.00
d Japan Y 347.00
d Japan Smaller Companies Y 207.00
d Latin America $ 2.18
d North America $ 4.75
d North America Smaller Cos $ 2.44
d Spain Ptas 450.00
d Switzerland SF 4.34
d United Kingdom £ 2.46
RESERVE FUNDS
d DEM Dis 3.821 DM 6.996
d Dollar Dis 2.189 $ 2.626
d French Franc FF 14.65
d Sterling Reserve £ 1.861
d Yen Reserve Y 288.0

083 GRYPHON FUND MANAGEMENT LTD
m Pacific Performance Ltd $ 100.45
m Gryphon Bond Fund Ltd $ 97.21

— 085 GUINNESS FLIGHT
(44)1481 712176/IFAX 82504
d GSF Managed Currency $ 35.32
d GSF Global Bond $ 34.00
d GSF Global High Inc Bond $ 20.42
d GSF Euro High Inc. Bond $ 19.65
d GSF Gilt & Sterling Bond £ 11.17
d GSF Asian Pacific Curr & Bd $ 20.40
d GSF Global Equity $ 126.14
d GSF American Blue Chip $ 30.43
d GSF Japan & Pacific $ 124.63
d GSF European $ 192.79
d GSF Hong Kong $ 87.83
d GSF UK £ 37.81
d GSF Gbl Privatisation Fd $ 34.86
d GSF Asean $ 22.00
d GSF Asian Smaller Cos $ 38.40
d GSF Global Bd Growth $ 23.49
d IAF US Dollar High Yd Bd $ 31.38
d IAF Intl Balanced Growth $ 46.70

204 HAMBRO-SPINNER RENAISSANCE FD
m Common Shares $ 25.781

086 HASENBICHLER ASSET MANGT Ges.mbH.
w Hasenbichler Com AG $ 9911.00
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m Formula I Money SF 110.39
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m Momentum Funds Port $ 122.17
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m Moore Global Invt B $ 3045.00E
m Moore Global Invt D $ 1286.00E
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m Salgos Fund II Ltd Jul31 $ 125.47
m Sanyo Kle. Spain Fd $ 13.10
m Sarakreek Holding N.V $ 4.30
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w SGA World Growth B Ecu 97.57
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m Sinclair Global Fund Ltd $ 1377.96E
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Herald International Tribune

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On the Fast Track

The president sent Congress his proposed trade bill Tuesday. It had been delayed a week while the administration searched for ways to make it more palatable to labor, environmental and other critics without vitiating its purpose and without losing votes on the other side of the debate. But the president had relatively little wiggle room, and the assurances the administration offered the critics Tuesday were not so much statutory as political: Trust us to include in future trade agreements as much support for U.S. labor and environmental standards as we possibly can.

This is procedural legislation only. It empowers the president to negotiate further agreements that would then be subject to congressional approval but on a so-called "fast track" basis, meaning debate would be limited and no amendments would be allowed; the agreements could only be voted up or down. Without such assurances, other countries would be reluctant to negotiate; why bother to reach a detailed agreement with the executive branch if the legislative branch can then amend those details?

The goal of the process is freer trade. The fear of the critics is that this will further open the U.S. market to competition from low-wage countries with weak environmental laws, only rudimentary systems of health and safety regulation, etc. The United States will lose jobs, so they argue, while U.S. wages and high regulatory standards are undercut. They would confer fast-track status only on trade agreements that require foreign competitors to meet "enforceable labor and environmental standards." But of course other countries would be reluctant to agree to such conditions, so that trade-expanding agreements would be harder if not generally impossible to reach.

The administration argues that trade adds more jobs in the United States than it costs, and that only trade — not fiat — can ultimately succeed in raising living standards abroad. We think that's right, but a lot of people — many of them represented in Congress by Democrats — don't believe it. The party is split: the House minority leader, Dick Gephardt, thought to be a leading rival to Vice President Al Gore for the Democratic presidential nomination in the year 2000, opposes fast track.

The Clinton bill doesn't say the president must negotiate the kinds of assurances the critics seek. Rather, the president promises and reserves the right to negotiate as many such protections as he can, including in side agreements. The hope is that the promise will provide enough Democrats with enough political cover to pass the bill. Perhaps it will help Mr. Gore as well in making the case that he is not indifferent to these issues. And maybe there will in fact be some useful nudging of other countries in progressive directions. They ought to pass this bill, and our sense is that, after a lot of venting — and some healthy consciousness-raising — they will.

— THE WASHINGTON POST.

Broaden Persecution Bill

Conservatives in America have long been part of the human rights movement, but in the past they have largely focused on the abuses committed by Communist governments. Today they are broadening their concerns. A small group of activists has succeeded in putting repression of Christians abroad on the national agenda. This has brought attention to an important, neglected problem, and increased consideration of human rights in American foreign policy. But it has also produced demagoguery among politicians eager to gain points with the Christian right.

One example is a bill that purports to fight religious persecution, but is so poorly designed it would do little to help religious freedom abroad. The legislation, sponsored by Senator Arlen Specter and Representative Frank Wolf, has the support of the Republican leadership and appears to have a good chance of passing in some form.

It would set up a new White House office to monitor and classify religious persecution. A finding of certain types of persecution would automatically trigger a variety of economic sanctions, starting with a ban on American exports to abusive government agencies and possibly including a cutoff of all nonhumanitarian aid and American votes against international bank loans. The president could waive the sanctions on national security grounds.

The office would be required to investigate persecution of Christians and a few other minorities in communist and many Islamic countries. All other religious persecution would be addressed at the director's discretion. While the bill's authors say it is not their intention, such an unbalanced mandate is offensive to Muslims, Jews and other religious groups that are also subject to abuse. The most common type of religious persecution — limits on religious assembly — is not covered at all in the bill. Immediate export sanctions would apply only to the entity directly carrying out persecution. No money, for instance, could go to a specific military barracks that tortured Christians, but it could go to the army or defense ministry responsible, making the sanctions meaningless.

One curious provision would change the rules of asylum and refugee applications in America to ensure that people who say they are fleeing religious persecution would get a hearing. This is a welcome acknowledgment that new rules that became effective in April do not protect refugees and asylum seekers. But the bill might end up filling the refugee quota with those fleeing religious persecution, thus shutting out other applicants. Its changes should apply to those fleeing all kinds of oppression.

This provision reflects the bill's relegation of all other persecution to second-class status. The torture of Christians is heinous, but so is the torture of ethnic Tutsi or union organizers. In most countries where religion is attacked, such attacks are part of a wide spectrum of human rights abuses.

Groups with a special conc[illegible] for religious persecution are right demand more attention to the issue. Instead of trying to create a new office in the White House separate from the policy-making process, however, they should work to strengthen the State Department's human rights bureau. If there is a political stampede to approve this bill, Congress must rewrite and broaden it to cover all manner of persecution and all religious groups equally.

— THE NEW YORK TIMES.

Other Comment

Still a Meaty Issue

This summer, we've seen the biggest recall of beef in American history — nine decades after a famous book led the federal government to start inspecting meat. If the author were still alive, he wouldn't be surprised that serious problems remain.

Upton Sinclair's novel "The Jungle" included sickening descriptions of Chicago meatpacking plants. Published in 1906, it jarred the nation and lifted hopes of major reform. But not for long.

The next year, "the lobbyists of the packers had their way in Washington," Sinclair observed. "The meat inspection bill was deprived of all its sharpest teeth, and in that form [President Theodore] Roosevelt accepted it."

Sinclair warned that the government's failure to inspect meat rigorously was likely to continue. Most of all, he blamed the news media.

From the outset, the media gave "The Jungle" a rough reception. "Can it be possible that anyone is deceived by this insane rant and drivel?" one widely syndicated newspaper columnist scoffed. The meat industry mailed out one million copies of the article.

"Because of the kindness of American editorial writers to the interests which contribute full-page advertisements to newspapers," Sinclair wrote a dozen years after the 1907 law went into effect, "the American people still have their meat prepared in filth."

Today, the U.S. Department of Agriculture lacks the legal authority to order tainted meat off the market, something that Agriculture Secretary Dan Glickman asked Congress for late last month.

— Norman Solomon, author and syndicated columnist, commenting in The Sun (Baltimore).

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In NATO Debate, Discuss the Wars of the Future

By Jim Hoagland

WASHINGTON — The parliaments of North America and Western Europe are preparing for a trans-Atlantic debate over the expansion of NATO into Central Europe. But two subjects vital to that debate will rarely be addressed with candor in the blizzard of speeches to come: the future of war, and the rationale for America's continuing military presence in Western Europe.

These apparently are ignoble subjects to raise when statesmen and salons are babbling on about expanding democracy, preventing power vacuums near Germany and providing the Russians with stability they do not have the wit to know they need.

The Clinton administration's open-ended version of NATO expansion is accompanied by an army of winks and nods about the nature of European security today. Russia is on our side, the administration says, adding that the expansion must continue toward Russia's frontiers after the Czech Republic, Hungary and Poland are admitted to the North Atlantic Treaty Organization in 1999.

It has been clear for months that Russia would let these three ex-satellites join the Atlantic alliance without a major fuss if the West pledged not to launch a threatening military buildup in these states. That deal has been confirmed by Moscow's active participation in the new NATO-Russia Joint Council in Brussels this month.

The 16 member governments that say NATO expansion will not threaten a revival of the Cold War should now be taken at, and held to, their word, as should the Russians. Their goal should be to make sure that the NATO expansion they have approved will be irrelevant militarily for Europe.

The continuing decline of Russia as a global military and diplomatic power should help make that possible. So can a dramatic but quiet transformation of Western Europe's military forces that is resulting from the lessons of the Gulf War and the Bosnian quagmire.

These two conflicts suggest that future wars involving Europe and America as allies will be fought either over resources in chaotic Third World locations or in ethnic upheavals on the southern fringe of Europe and Russia. The Europeans learned from the Iraq war and Bosnia that they are totally dependent on the United States for logistics, intelligence and other "power projection" support. The reactions have been revealing:

France, until now the European state with the strongest military and national security culture, is ending conscription and switching to a smaller, professional military structured not to defend against invasion but to intervene abroad. President Jacques Chirac has held up Britain's professional military as a model for his own generals.

NATO expansion will help move Germany in the same general direction. Germany will no longer be the eastern frontier of NATO.

Budgetary pressures will soon push the Germans to move to smaller, professional, more mobile armed forces, despite Chancellor Helmut Kohl's attachment to a large citizen army built on the draft.

This trend reflects a spreading realization that European land armies organized to defend national territory against invasion verge on the obsolescent.

"A large number of the most powerful states no longer want to fight or conquer," writes the British diplomat Robert Cooper in a seminal essay on Europe in the era of the postmodern state.

"Acquiring territory is no longer of interest. Acquiring subject populations would be for most states a nightmare."

What then is the point of large European armies and an American military presence of about 100,000 troops stationed into the distant future in and around Germany, other than providing insurance against a hostile Russian revival?

Expanding NATO helps both answer and obscure that question.

American troops in Germany now have the apparent mission of spreading the fruits of NATO eastward. Expansion provides a new basis for maintaining a militarily significant American presence in Europe beyond the Cold War to project power outside Europe.

But that is not an explanation that would go down well in Germany, or in a U.S. Congress wary of increasing commitments. That is why Washington and its partner capitals will shine their lights on the high-minded rhetoric of expanding democracy and say as little as possible about the future wars NATO is most likely to fight.

The big issue for NATO's future is not expansion to the east to protect against land invasion. It is the structural transformation into an intervention alliance that is already happening, with little public awareness on either side of the Atlantic.

The parliamentary debates on expansion should not camouflage this development. They should air it, and seek support for it if this transformation is to go ahead with the public support it requires.

The Washington Post.

Obstacles to China's Development Are Too Often Neglected

By William Pfaff

PARIS — The announcement that China will sell off its state industries, made last Friday at the 15th Communist Party Congress in Beijing, invites misunderstanding about China's economic liberalization.

The announcement has also fueled discussion of what some contend is China's irresistible ascent to regional and even global power, challenging America's present standing as the dominant military power and political influence in the Western Pacific.

At the party congress, following what appears to have been considerable controversy within the leadership, President Jiang Zemin said that some 10,000 of the 13,000 medium- and large-sized enterprises owned by the state will be sold. Sold to whom was not explained.

President Jiang indicated that they would not be privatized but would go into "public ownership," a conception yet to be clarified.

It would seem to suggest that shares will be created in these enterprises to be bought by other public or semi-public bodies, or possibly by the managers of the enterprises — although the latter raises the danger of the same kind of managerial confiscation of public assets that gave Russia its robber-baron capitalism. This cannot have escaped the attention of China's leaders.

It is possible to suspect that this devolution of state ownership is in fact a maneuver to shift responsibility from the state and party to more elusive and ambiguous targets when reform of these inefficient and money-losing enterprises causes hundreds of thousands of job losses. More than two-thirds of these firms are in deficit, and the aggregate losses increased by nearly 50 percent last year.

The government appears to want takeovers, fusions and bankruptcy to sort this out, so as eventually to produce a small number of industrial-banking-marketing conglomerates on the model of the big Japanese and Korean trading and manufacturing groups. Those are close to their governments, following national industrial and trading strategies.

Could such a change give China the industrial dynamism of Japan and the other capitalist Asian economies (notwithstanding their current problems)? The obstacles to China's development are too often neglected.

An important, indeed devastating, critique of the forecasts that say China is becoming a superpower was written last year by a Hudson Institute analyst, Robert Dujarric. He made his arguments again this summer in a German foreign affairs journal, Internationale Politik und Gesellschaft. As neither his Hudson briefing paper nor the German quarterly's text are likely to be read by many non-specialists, some of his arguments are worth noting here.

It was the impact and influence of the West that destroyed Manchu China. Today "there is no way for China to modernize itself without increasing its economic and social intercourse with the capitalist world," thus further undermining existing institutions.

A decaying Communist Party faces an eventual succession crisis internally, and the collapse of its legitimacy externally. The party is corrupt. So is the bureaucratic system. This is uncorrectable so long as government legitimacy is unrestored and no mediating civil society and civil ethic exists. (According to one survey of international businessmen, China is the fifth most corrupt of 54 countries surveyed.) China (quoting a Chinese scholar) now is "a land of no faith." Only money matters.

China's lack of law and accountability is a crippling obstacle.

Sustained foreign investment and further development depend on reliable and impartial legal systems.

The problem of who owns what remains unanswered, and nothing in current projects for reforming the economy will give an answer that the Chinese public and foreign investors are likely to find satisfactory. The sale of state corporations worsens this problem.

Sixty-three percent of peasant farmers do not know the duration of their land rights.

A huge rural exodus is taking place. The urban infrastructures and economic development adequate to support this do not exist.

Forecasts that say China is becoming a superpower gloss over much.

The present scale of the economy is usually vastly overestimated because inappropriate purchasing power comparisons are made. Actual GNP is probably less than $1 trillion, as against Japan's nearly $5 trillion. China's GNP per capita is $780 compared to $38,000 for Japan. The qualitative industrial and technological gap is vastly greater.

There is no effective tax system (only 11 percent of GDP is currently raised in taxes) and there will be no such system so long as a private sector does not formally exist. The regime has no effective alternative method for raising revenue. "The absence of a working tax system is a huge obstacle to further progress whose magnitude cannot be overestimated," Mr. Dujarric writes.

There are very great risks in future rivalries among governing factions (including the army), ethnic conflict (extending to ethnically related bordering regions in Central Asia) and regionalism (even warlordism). Civil war is not unimaginable. Nationalism, on the other hand, could produce self-isolation and international conflict.

The country is militarily weak. Its army functions as an internal political control institution. It has neither the sophisticated management and command systems nor the technological capacities of, say, the Japanese or Taiwanese military, and China's civil society cannot supply them.

The Singapore or Japanese political and economic models are irrelevant to China for reasons of relative scale, their cultural coherence and the political structures the former possessed when modernization began.

There is more to be said, of course. The Chinese are an enormously talented people with a rich and formidable history. But their situation today is much more difficult than is generally understood abroad.

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CIA at 50: America's James Bonds Confront a Midlife Crisis

By David Wise

WASHINGTON — Like an aging roué, the Central Intelligence Agency marks its 50th anniversary this week, celebrating its past more than its uncertain future.

In ceremonies at the agency's headquarters in Langley, Virginia, we are apt to hear much about how, without the CIA, the United States would not have won the Cold War. No speaker is likely to suggest that the CIA missed the brass ring by failing to predict the disintegration of the Soviet Union or that the Soviet Union collapsed of its own weight.

The agency is struggling with a midlife crisis. Our James Bonds have developed paunches, and like a lot of older folks, they tend to dwell on the good old days and glide around the irksome question of whether the agency has much to do now that its main adversary has left the stage. There is plenty to occupy the CIA, according to George J. Tenet, the agency's new director. He points to nuclear proliferation, terrorism, drug trafficking and international organized crime as areas where America's spies are still needed.

Some in the agency feel that it has lost its sense of purpose and is adrift. But, as part of its effort to move into new fields, the CIA has created a Counterterrorist Center, a Counterintelligence Center, a Counternarcotics Center and a Nonproliferation Center. Some CIA sources caution, however, that, in all of these areas, the agency can only play a support role; it cannot, for example, arrest drug lords or terrorists.

In the counterterrorism area, the agency can point to some successes. It is said to have lured Fawaz Yunis, a Lebanese terrorist, aboard a yacht near Cyprus where the FBI arrested him and whisked him back to the United States, where he was sentenced to 30 years in prison. The CIA helped to pinpoint Libya's responsibility for the bombing of Pan Am Flight 103. It created a Terrorism Warning Group, part of the Counterterrorist Center, to alert U.S. civilian and military leaders to terrorist threats.

Agency officials say that eight times in the past four years, the CIA has assisted law enforcement officials in capturing foreign terrorists for prosecution in the United States.

In June, in its most spectacular coup, the CIA helped to track down Mir Aimal Kansi, the suspect in the January 1993 shooting outside CIA headquarters that left two dead and three wounded.

Mr. Kansi was captured in a hotel in Pakistan. Said a veteran CIA officer: "CIA was there. The Kansi takedown would never have happened without CIA. The first guy through the door was an FBI man. But the CIA was standing in the shadows when the takedown occurred."

The agency is seen by some as a sinister force that manipulates world events. Others see the Keystone Kops, a bunch that can't even make Fidel Castro's beard fall out.

Despite such successes, the agency's public image still careens wildly between two opposites. It is seen by some as a sort of Darth Vader, a sinister, all-powerful force responsible for covertly manipulating and controlling world events. Others view the agency as the Keystone Kops, a bunch of Maxwell Smarts who can't even make Fidel Castro's beard fall out (although they tried). The truth, of course, lies somewhere in between.

There have been some real accomplishments. From 1956 to 1960, the CIA's high-altitude U-2 reconnaissance plane, a remarkable technical achievement, provided President Dwight D. Eisenhower with hard evidence that the Soviet Union actually had relatively few intercontinental ballistic missiles at a time when Nikita Khrushchev was threatening to "bury" the West. The CIA's photographs proved it was all bluster.

In 1962, the U-2 provided President John F. Kennedy with proof of Soviet intermediate-range missiles in Cuba. And a handful of Soviet intelligence officers working as agents for the CIA, men like Colonel Oleg Penkovsky, provided valuable military intelligence during the Cold War.

Perhaps equally important, the CIA has gathered and analyzed information for the president and other policymakers in a dangerous and complex world. The agency was born, after all, in the ashes of Pearl Harbor. Until it came into being in 1947, America had no central agency to try to make sense out of disparate information that might, if pulled together and analyzed, prevent another surprise attack.

There have been notable failures, too. Former director Robert Gates (1991-1993) and some other CIA revisionists dispute the notion that the agency failed to foresee the collapse of Soviet communism. But there is no dispute that Langley's analysts have often flopped in predicting world events. The agency failed to predict the 1973 Middle East war. India's acquisition of nuclear capability in 1974 or the 1979 overthrow of the shah of Iran, to name just a few. Such events are difficult to predict but, in general, the agency prides itself on its analytical skills.

In listing the CIA's accomplishments over five decades, however, agency officials do not mention the covert operations that have so often caused the agency and the United States vast embarrassment, from the Bay of Pigs to support for the contras in Nicaragua. There will be no hosannas this week for the assassination plots against world leaders, including the effort to hire the Mafia to murder Mr. Castro. Nor will the celebrants emphasize the CIA's illegal opening of first-class mail in years past, its spying on American citizens during the Vietnam War or its infamous drug tests against unsuspecting Americans, at least one of whom died.

In part, the 50th anniversary hoopla is intended to focus attention on the agency and ensure its future. Some ex-agency warriors will claim that the CIA really did help to win the Cold War. Milton Bearden, who ran the agency's covert operation against the Soviets in Afghanistan, insists that the success of that effort "helped bring about the collapse of the Soviet Union. Within months of the withdrawal of the last Soviet troops, the countries of Eastern Europe knew the Russian tanks would never roll under Gorbachev. The Hungarians cut the barbed wire, the Poles had elections and threw out communism, the East Germans took to the streets. The Czechs had their 'velvet revolution' in December and it was all over."

Whether the CIA can be credited with all this, one overarching fact must comfort the retirees and officials gathering at Langley this week to celebrate middle age. Given the self-perpetuating skills of bureaucracy, the CIA at 50, with an annual budget of more than $3 billion and some 17,000 employees, is unlikely to disappear any time soon.

The writer is author of "Nightmover: How Aldrich Ames Sold the CIA to the KGB for $4.6 Million." He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Mexico's Money

CITY OF MEXICO — The session of the Mexican Congress was opened by President Diaz with this message: "The revenue for the financial year of 1896-97 has amounted to about 51,500,000 pesos, showing an increase of 1,000,000 pesos from last year. The sharp fall of silver has influenced the economic situation of the country, but the Government is giving its attention to the matter and is taking prudential measures."

1922: French Solution

PARIS — "What chiefly astonishes and delights me in the public life of Paris," said Mr. Michael Monahan, an American author, "is the temperance which marks the social habits of this wine-drinking people. I am inclined to believe that the only effectual way of solving the so-called liquor problem has been discovered by the French. Every American who comes to Paris and participates in the sanely joyous life of its people must return to his own country tenfold armed against the Puritanism which oppresses us and which has lowered our intellectual prestige in the world."

1947: UN Veto Bypass

NEW YORK — Secretary of State George C. Marshall threw a bombshell into the UN General Assembly by proposing a standing committee of the Assembly, to sit between sessions, which would to some extent bypass the Security Council veto. Slavic countries called the proposal a disguised amendment to the UN Charter which would provoke a far-reaching crisis. Mr. Marshall attacked Russia for vetoing action on Greece, for preventing a solution of the Korean situation and for failing to agree on atomic-energy control.

OPINION/LETTERS

U.S. Bellwethers Ring the Wrong Bells

By William Safire

WASHINGTON — The frenetic and unrepresentative way we Americans select our presidential candidates should be consigned to the ash can of political history. At present, activists of both parties in Iowa meet in the nation's first caucuses to select, unofficially, that state's convention delegates. Reporters swarm; candidates spend; pollsters and pundits study campaign entrails.

Eight days afterward, in the nation's first primary, cosseted New Hampshire voters — each having shaken the hand of every candidate at least three times — make or break candidacies. Thus do our traditional "bellwether states" determine presidential fates.

But too often bellwethers ring the wrong bells. In New Hampshire in 1992, Paul Tsongas beat Bill Clinton and went nowhere; in 1996, Pat Buchanan beat Bob Dole and then fizzled. And as Iowa goes, so goes the Farm Belt and that's all.

The population of these two states is no sample of America. Nor do Hawkeyes and Granite Staters — Iowa and New Hampshire residents — worry about urban issues. Why should two small states — vulnerable to media blitzes by wealthy candidates or single-issue appeals by fringe candidates — have exclusive rights to "first"?

No tradition, especially one of recent vintage, justifies such warped local influence on selecting our candidates for national office.

But hark — stealthily, at the 1996 Republican Convention, the lock that these two states have on "first" was removed. In an effort to lengthen the decision-making, bonus delegates were offered states that held primaries late. But in a little-noted move, the Republican Party also ruled that no state shall have its caucus or primary election before the first Monday in February.

That rendered meaningless New Hampshire's standing threat to move its primary back clear to Thanksgiving, if necessary, to beat any challenger. Now — if Democrats go along — any state can tie for first.

The prospect of drawing national attention is dawning on state committees of other states. Mike Hellon, soon to be elected Arizona's state Republican Party chairman, said, "If we decide to go early, we'll go earliest."

In Delaware, which last year was denounced by New Hampshire for daring to come within four days of its primary primacy, the state chairman Basil Battaglia shows a lively interest in the first Tuesday in February. Similar sentiment is found in the caucus states Louisiana and Alaska.

Aggravating New Hampshire's problem of retaining its stranglehold is the likelihood of a campaign for president by its senator, Bob Smith. He's an attractive conservative, a fresh face in the Quayle-Buchanan wing, and his "Live Free or Die" political action committee is being formed.

If Mr. Smith gets a serious national campaign going he won't be running as a favorite son, but will dominate the New Hampshire presidential primary much as Iowa's Senator Tom Harkin did in Iowa in 1992, or as Senator John McCain would in Arizona in 2000.

Mr. Smith points out that New Hampshire's primary primacy should not preclude a state resident from running. (Had it been in effect in the last century, New Hampshire's Franklin Pierce would never have been president, and early ad men would have been denied "We Polk'd You in 1844, We'll Pierce You in 1852.") But most would discount its results.

In primary reform, it takes three to tango — both parties plus the state legislature that sets the primary or caucus date. If Mr. Battaglia of Delaware can get his Democratic counterpart to support a move to "earliest primary," the legislature will go along.

But will the Democratic National Committee in Washington? Its chairman, Roy Romer, stunned by a question not dealing with scandal, hasn't even thought about that yet.

But I can't see a national party going to court to overturn a state's decision about its primary election date; it would infuriate the voters of that state.

Why am I egging on these state chairmen to break up the Hawkeye-Granite axis? Not to front-load the primaries; far from it.

The idea, pioneered by the South's Super Tuesday, is to move toward sectional primaries, with each region of the country to have its own month of exposure to national candidates. Every four years, each section would rotate into being first.

Sensible travel schedules; four full months before party voters decide; no stampedes or falling in love with a stranger. Primary reform beckons; who dares fail to try?

The New York Times.

Seeing Beyond Calcutta's Squalor

By Bachi J. Karkaria

MUMBAI, India — On Sept. 13, Calcutta buried its saint — and, it is hoped, its squalor. I was an unabashed, perhaps even an unquestioning, admirer of Mother Teresa, but I never forgave her for making my hometown into a global metaphor for human degradation.

Of course, she wasn't the first. She merely further encrusted the grimy mantle cast upon it by the filmmaker Louis Malle, who in turn had taken up Rudyard Kipling's colonial refrain of the "city of dreadful night." Dominique Lapierre then patronizingly converted that to "city of joy."

Growing up in Calcutta, it was irritating to live in the shadow of this notoriety, not least because none of this damnation was untrue. Its custodians seemed hell-bent on perpetuating its reputation as "chance-erected, chance-directed." Three centuries after Job Charnock put his first boot-print on the mudflats of the sluggish river Hooghly, the city continued to defy both every canon of urban survival and every chronicle of death foretold.

Roads were dug up with such urgency, ostensibly to repair antiquated underground utility pipes, that Calcutta appropriated the title of the autobiography of the archaeologist Mortimer Wheeler, "Still Digging." The 20-year-long construction of the Metro railroad created disruption that was cataclysmic even by the city's impressive standards. And the Marxist government reserved the same disdain for roads as it did for capitalist drivers. Indeed, until recently, essential services were dis

MEANWHILE

missed as bourgeois indulgences, and the gloom of eight-hour power cuts outclassed Kipling's "dreadful night."

Calcutta continued to get unlimited extensions on its slum destiny as well. The starving who straggled in from the rural hinterland during the Bengal famine of 1943 were joined by the refugees of partition in 1947. Into this surging mass continued to flow the streams of those escaping the dead-end despair of impoverished villages. Calcutta remains the only metropolis in eastern India, and therefore the only hope not only for its four neighboring states, but also for three sovereign countries — Bangladesh, Bhutan and Nepal.

But to make squalor its unique selling proposition is to miss the whole point of Calcutta.

Calcutta marches to a different drumbeat. Here the usual parameters of urban aspiration are not defied, they are simply irrelevant. When I used to work there, the clerk in my office was oblivious to the drudgery of his job and to the crush on the erratic commuter train to his gloomy tenement in a distant suburb — he transfigured the remains of the day by translating Bertolt Brecht into Bengali as soon as he finally got home.

Congenitally, the Calcuttans have developed safety valves against the kind of crippling degradation that, according to one sociologist, would have driven any other people to mass suicide. They have their football, their fish curry and, most of all, their intellectual arrogance. Marching for two hours in a procession to demand justice in Bosnia is so much more satisfying than a mundane clamor for trains that run on time.

Of late, Calcutta has begun surrendering this unique quality. It is finally the proud owner of India's only Metro railroad. It has a surplus power supply. Its potholes have been filled. With Mother Teresa has passed its obligation to be the wart of the world, the pustule of the planet.

The writer, a senior editor and columnist at The Times of India, contributed this comment to the International Herald Tribune.

LETTERS TO THE EDITOR

Hong Kong Replies

Regarding "Stifling Democracy in Hong Kong" (Opinion, Sept. 9) by Robert Stone and Esther Lam:

Mr. Stone and Ms. Lam have put forward a conspiracy theory that since Hong Kong's reversion to China on July 1, the local authorities have been conniving to structure an administration and legal system designed to neutralize democrats and place power firmly in the hands of China.

The writers attempt to discredit the arrangements for elections in May next year. They talk about these proposals as a "new system" that will allocate 20 seats through direct geographical elections, 30 through functional constituencies and 10 through an election committee.

This composition was clearly set out in the Basic Law, Hong Kong's constitution, which was promulgated in 1990. It was the same combination used in the 1995 elections.

In 1995, eligible voters from the general electorate were given a second vote for 9 of the 30 functional constituencies. Under the new arrangements they will retain their general voting rights, but the functional constituencies will revert to traditional representation of particular groups in the community drawn from the business, professional and grassroots sectors. This system was first introduced in 1985 under the British administration.

The point being overlooked is that the May elections represent an evolutionary process toward universal suffrage for the election of the legislature and the chief executive in conformity with the Basic Law.

The government of the Special Administrative Region has no greater priority than the protection and preservation of the rule of law and respect for the independence of the judiciary. We categorically reject unsubstantiated claims that we are somehow trying to subvert the legal system to stifle the voice of democracy.

THOMAS C. Y. CHAN.
Hong Kong.

The writer is director of Hong Kong's Government Information Services.

Is Blair a Gorbachev?

Regarding "Blair Praises Scots for Their 'Courage'" (Sept. 13):

Prime Minister Tony Blair may well prove to be Britain's Mikhail Gorbachev: a well-meaning, fuzzy-thinking reformer who unleashed forces beyond his control that eventually led to the breakup of his country. A plausible scenario is not hard to imagine.

First, the devolution of power to Scotland and the re-creation of a Scottish Parliament lead, in a few years, to autonomy and then to independence. In parallel, the Welsh do the same. Faced with the de facto breakup of the United Kingdom, the Protestant Unionists of Northern Ireland make their peace with the Irish Republic and agree to a kind of Irish federation, outside the framework of the United Kingdom.

Finally, the English, in the aftermath of the Princess of Wales's death and in the face of the royal family's unpopularity, shuffle off their monarchy.

We would now have four small countries located on two smallish islands north of the Continent. Such an outcome may be well and good for the inhabitants of the British Isles, but are they prepared to take the risk? Has Mr. Blair really contemplated what lies ahead? Mr. Gorbachev certainly hadn't.

STEPHEN KLEIN.
Heidelberg, Germany.

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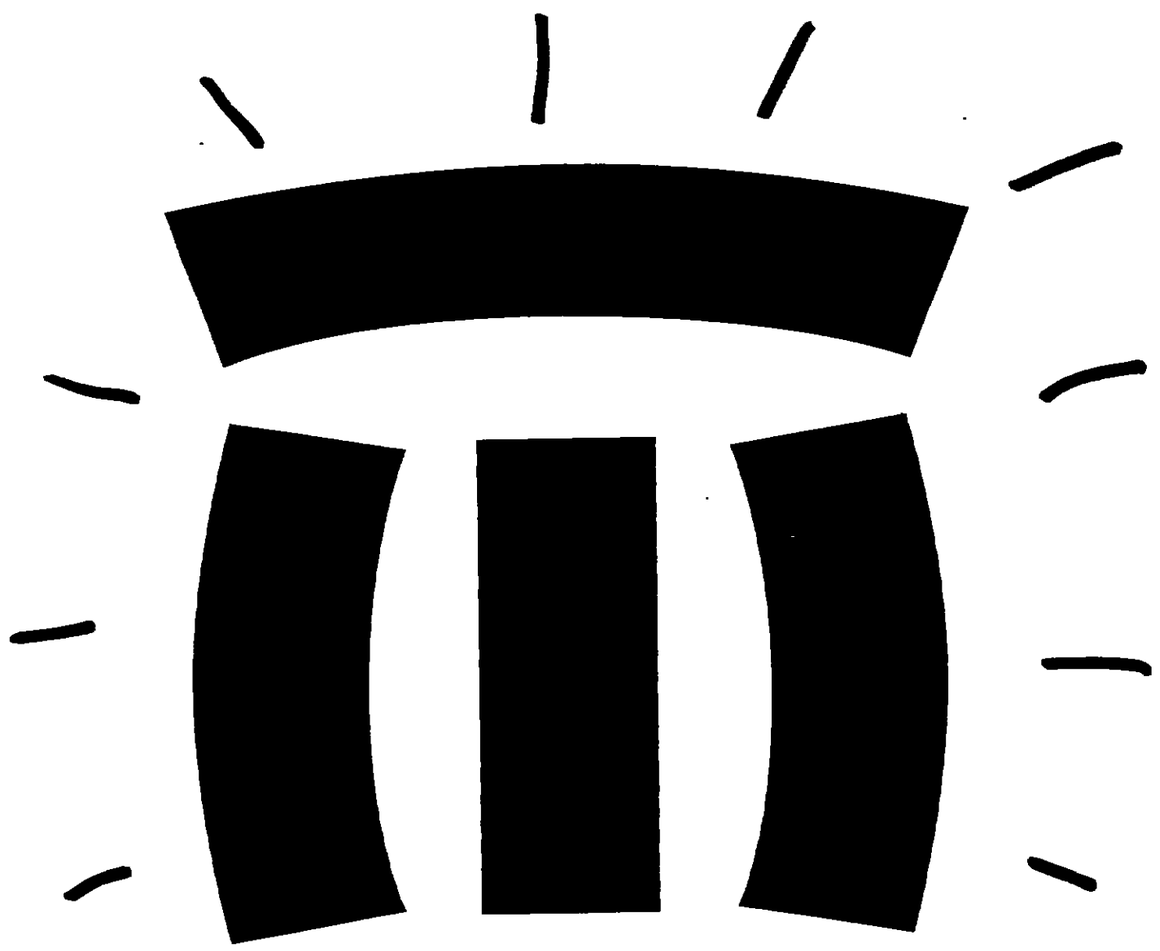

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INTERNATIONAL

Italian-Americans Lobbying UN for Their Motherland

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — With 185 member states taking part in its debates, the United Nations is a body well accustomed to the phrase "another country heard from."

But the loudest voice here Tuesday was another ethnic group being heard from — Italian-Americans protesting a U.S. proposal to give permanent seats on the powerful Security Council to Germany and Japan, but not Italy.

Leaders of civic organizations who said they represent 22 million Italian-Americans came here to launch an initiative that they called "Operation Justice for Italy in the UN."

It aims to collect thousands of signatures on petitions demanding that President Bill Clinton abandon the plan or, if he refuses, urging the Senate to block its approval. They hope to present them to the White House on Oct. 13, Columbus Day.

Diplomats seemed bemused by the passion behind the initiative, which led supporters to hurl such terms as "blatant insult" and "slap in the face to Italy" at what might appear to be an obscure UN matter far removed from the concerns of most Americans.

But the issue is a reminder of the varied difficulties standing in the way of reforms that many governments believe are necessary to make the United Nations better able to cope with the changing circumstances of a new century.

Most calls for reform put a high priority on the 15-nation Security Council, which is the most powerful UN body because of its responsibility for dealing with threats to international peace and security. Each of its five permanent members — the United States, Russia, China, Britain and France — has the power to veto any council action. The 10 other members, who have no veto, are elected from different regions for two-year terms.

For several years, the United States has advocated giving permanent seats to Germany and Japan, two postwar economic superpowers, on the grounds that their membership would better reflect contemporary realities and encourage them to play a greater financial and political role in UN affairs.

But Third World countries, a majority of the UN membership, have refused to back the German and Japanese bids unless they too get permanent council seats.

Even if the members agree, however, several major obstacles would stand in the way of such a plan. For one, there is no consensus on whether the new permanent members should have veto power. Also, intense rivalries among Third World countries seem likely to thwart agreement on which would be chosen for the permanent seat from each region.

While these are the problems that have attracted the most attention, an additional discordant note has been sounded by Italy's insistence that, as a major financial contributor and player in UN affairs, it is entitled to a permanent council seat.

In particular, Italy's chief delegate here, Francesco Paulo Fulci, has asserted that Germany seeks permanent membership as part of a plot to isolate Italy and reduce its influence in Europe.

Mr. Fulci's arguments have not attracted much attention among advocates of Security Council reform.

Whether that will be changed by the Italian-American initiative is not clear.

The campaign was organized by three umbrella groups — the National Ethnic Coalition of Organizations, the Coalition of Italo-American Associations and the Conference of Presidents of Major American Italian Organizations.

"Excluding Italy in a Security Council reorganization would relegate it to permanent second-class status, and possibly lose the resources of this valuable ally," said William Denis Fugazy, chairman of the Ethnic Coalition.

"Italian-Americans would rather see no Security Council expansion than a plan that excludes Italy."

SMOKE: *Clinton Proposals*

Continued from Page 1

Mr. Clinton said he would invite leaders of both political parties to join in drafting "sweeping legislation" to address his goals.

Reaction from the tobacco industry was guarded. A statement from the major companies said that the June agreement between the industry and state attorneys general "still represents the most achievable balance."

But it said the industry would "work constructively with the Congress and the president to build upon the historic accomplishment of that agreement."

Tobacco stocks were largely unaffected by Mr. Clinton's proposals.

In June, news of the tentative settlement had boosted tobacco shares; the deal calls for the companies to pay billions of dollars to settle past legal claims.

John Coale, a Washington lawyer who helped negotiate the June settlement and who stood alongside Mr. Clinton at the news conference, said he liked the president's proposals "very much" and did not think they would block efforts for congressional approval.

"The demands he made," said Mr. Coale, who represents plaintiffs in class-action lawsuits against the tobacco industry, "were within the ballpark — totally within the ballpark — of what we've all been negotiating. I think we can get there."

Mr. Clinton said Wednesday that his chief priority was to protect young people from the effects of smoking, and he named Vice President Al Gore to head a campaign for public support for his proposals.

Mr. Clinton called on the House of Representatives to follow the lead of the Senate and repeal a provision that had been inserted into the budget bill that would have given the tobacco industry a $50 billion tax credit. The House did just that by a voice vote as Mr. Clinton was speaking.

Even if Congress postpones making a final decision on the tobacco agreement, the cigarette industry is not likely to see any easing of public pressure. It faces important lawsuits in Texas, Pennsylvania and Minnesota.

Since that settlement was announced, it has come under increasing attack, mostly from those who wanted a tougher approach. Some Clinton aides were concerned that it would have seriously limited the authority of the Food and Drug Administration to regulate nicotine.

By calling for a substantial reworking of the June settlement without offering a legislative roadmap for doing so, Mr. Clinton has lessened chances of speedy congressional action.

There appears, however, to be important support in Congress for the idea of increasing cigarette prices.

Senator Edward Kennedy, Democrat of Massachusetts, said he would support such an increase, as did a prominent Republican senator, Richard Lugar of Indiana.

A Lugar spokesman said that many other Republican leaders agreed.

INTEL: *Chip Trashes Computer Axiom*

Continued from Page 1

while the 32-megabit chip would cost $15.40.]

Such chips could eventually make their way not only into more powerful computers but also into ever smarter watches, televisions, automobiles and all the other increasingly computerized consumer conveniences.

To cite but one potential example, the new Intel chip could bring a fourfold increase in the recording and playback time in the hand-held digital voice recorders now popular for dictation and audio note-taking.

Intel said that the new chips could store not one but two bits of information on each transistor, essentially doubling the storage capacity of even the most transistor-rich chip.

It takes the equivalent of eight bits to produce an alphabet character in computer text.

Moreover, Intel engineers said they believe that they have not reached the limits of this new technology and that in the future it may be possible to build chips that can store and retrieve three, four or even more bits on each transistor.

"The holy grail for memory has been finding a way to store more than one bit of memory per unit area," said Stefan Lai, director at Intel of the development and manufacturing of so-called flash technology. "It has been extremely difficult to do this."

Flash memory is the name of the new chip and refers to a type of chip that already has broad applications in the computer and consumer electronics markets. Such chips, which can store information even while the power is switched off, are used as permanent storage devices that include personal computers, video games and pocket cellular phones.

"This is really quite impressive," John Hennessy, dean of Stanford University's school of engineering, said of Intel's development.

Yet, not all experts necessarily see the prospect of ever-shorter product cycles — inexorable as the trend may be — as a positive trend.

"We are running the risk of producing more technology than the world can adapt to," said Dan Hutcheson, president of VLSI Research, a Silicon Valley research and consulting firm.

The transistor is the basic unit of information storage on a computer chip, one digit for each transistor. Today, Intel's most densely packed chips can contain 32 million transistors.

Moore's Law also predicted that even as the power of computer chips would continue to grow significantly, their cost would fall at a spectacular rate — so much so that a single transistor, which sold for $70 in the mid-1960s, can now be bought for less than a millionth of a cent.

Remarkable as it may seem, this law has held for 32 years, as the mainframe begat the minicomputer, as the mini gave way to the PC and as chips have made their way into virtually all parts of modern electronic life.

As with many technological breakthroughs, the new Intel approach, known as "multilevel cell" flash memory, is actually based on a simple idea.

Conventional semiconductor memory chips store the ones and zeros of digital computer code as tiny electrical charges. To "read" a one or a zero, each representing a digital bit, the chip's circuitry determines only whether a charge is present or absent in the transistor — whether the glass is empty or full, in other words.

But the new multilevel flash memory technology is able to go beyond "empty" and "full" readings, to also sense whether the glass is two-thirds full or one-third full. Those four distinct states yield the equivalent of two bits of data.

Intel engineers predict that even subtler gradations may soon be possible, yielding even more bits with each transistor.

Despite being the world's largest chip maker, Intel is not the first company to pursue research in multilevel flash memory or even to develop commercial products involving the technique.

For example, a smaller Silicon Valley company, Sandisk Corp., is already selling a similar system for increasing the storage capability of flash memory chip technology. But Sandisk's system so far requires several chips, meaning that it does not yet have the potential data-storage and cost-saving advantages of Intel's single-chip approach.

But as Eli Harari, Sandisk's president, contends, the various new approaches represent a new paradigm in the chip world, in which improvements no longer depend solely on squeezing more transistors onto a chip.

"What we are saying is that there is an alternate path that allows you to get a jump on Moore's Law," Mr. Harari said.

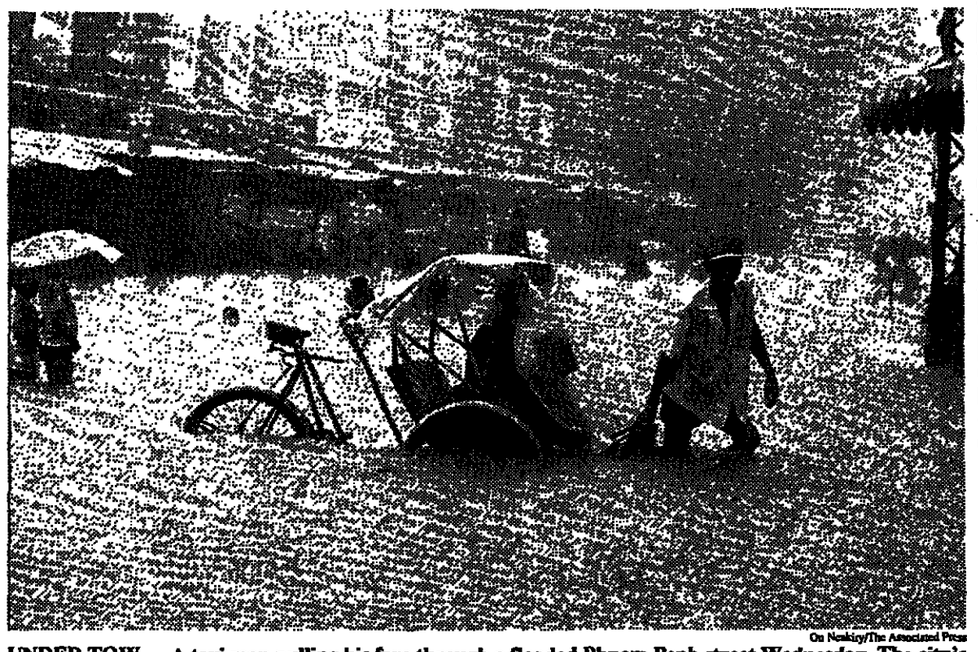
■ *Lucent Goes Networking*

Lucent Technologies Inc. unveiled new computer-networking products, in a bid to establish itself in the rapidly growing market for equipment that connects computers to each other, Bloomberg Business News reported from Murray Hill, New Jersey.

In the first quarter of next year, Lucent said it will begin selling the MX 1000, a switch that it says can move information through computer networks at speeds of up to 10 billion bits a second.

With growth rates of 30 percent to 50 percent a year, the networking industry is growing faster than the market for traditional telephone equipment. Already one of the world's largest makers of phone equipment, Lucent may pose a threat to existing makers of computer-networking equipment, analysts said.

Lucent also said that next year it will begin selling a smaller switch aimed at single-site office networks, access equipment for linking telephone lines to computer networks and software to help companies manage their networks.



On Neakiy/The Associated Press

UNDER TOW — A taxi man pulling his fare through a flooded Phnom Penh street Wednesday. The city's colonial-era drainage system needs repair and cannot keep up with downpours in the rainy season.

MINES: *U.S. Abandons Its Campaign*

Continued from Page 1

"I'm proud of the governments who stood up to the onslaught of the remaining superpower, coming in and pushing and shoving to get its way."

Representatives of the Canadian government, which led the treaty process at its start 14 months ago, popped Champagne corks and smiled for photographers in the halls of the conference center here, joining the celebratory atmosphere among delegates that followed the U.S. withdrawal of its compromise proposals at midday.

The text is set to be adopted without a vote Thursday, with a formal ceremony following on Friday. On Dec. 3, the process will move to Ottawa, where as many as 100 countries will sign the treaty. Ratification by individual member states will follow, and the treaty will enter into force when 40 countries have ratified it, probably within two years.

Treaty signers will have up to four years from then to destroy their undeployed land mines and up to 10 years to clear areas that have been mined.

Mines triggered by the weight of vehicles, like tanks, will not be affected. Those that kill some 25,000 people a year, most of them civilians and many of them children, will slowly begin to disappear, at least in the countries that will have put their names on the treaty.

Sources in Oslo said that Australia, Poland, Ecuador, Japan, Spain and Kuwait, for a variety of security interests, were among the countries that might not be parties to the treaty.

A treaty provision designed for the poorest countries, where mines laid in wartime remain major killers — Angola, Afghanistan and Cambodia are the most commonly mentioned ones — allows an extension of that 10-ten year period to accommodate the financial expense of removing them.

The international ban campaign estimates the cost at $300 a mine and the number of extant mines at 10 million.

Last week, the United States withdrew its efforts to amend the treaty with a special waiver for U.S. anti-personnel mines deployed along the demilitarized zone in Korea. Instead, in a last-ditch effort to find a way to make the treaty text acceptable, Washington floated new proposals that did not mention Korea but that covered Korea-specific conditions and eventualities.

New U.S. Visa Law Will Create Havoc, Canadians Say

The Associated Press

TORONTO — Canadian diplomats are turning bellicose in a campaign against a new U.S. immigration law they say will create severe backlogs at border crossings.

Canadians would be forced to wait hours at the border whether they were embarking on a Florida vacation or a quick shopping trip to Buffalo, Canadian officials said.

The U.S. law, passed by Congress last year, would require all foreigners to fill out visa forms upon entering the United States, starting in September 1998. Currently, Canadians are exempt from visa requirements and most simply answer a few verbal questions before crossing the border.

Attempts to exempt Canadians from the new law have failed, and Canadian officials this week abandoned quiet diplomacy.

"Frankly we are alarmed, disappointed and just a little frustrated," Doug Waddell, deputy head of mission at the Canadian Embassy in Washington, said in a speech to U.S. businessmen.

Canadian officials say the law runs counter to many initiatives aimed at streamlining border formalities.

Under the legislation, each visit to the United States by Canada's 29 million residents would require filling out a visa form. Canadians annually make 76 million visits to the United States, according to the latest statistics.

EMU: *A Sea Change Is Occurring in British Attitude on the Euro*

Continued from Page 1

"If a government as popular as this government were to put this to a referendum with a strong recommendation that we join, I am quite certain they would win," said Richard Portes, director of the Center for Economic Policy Research.

Already, signs of a softening-up campaign are sprouting. Gordon Brown, chancellor of the Exchequer who is widely regarded as the leading Labour advocate of the single currency, convened an advisory group of business and consumer groups on monetary union last week and called for a broad, public debate about membership.

Foreign Secretary Robin Cook, considered the euro-skeptic, has promised an announcement before the end of the year, when Britain must inform its EU partners if it wants to be considered for monetary union at the outset.

The betting in political and financial circles is that Mr. Blair will keep Britain out in 1999, but make it clear that he favors entry when economic conditions are ripe. An announcement could come as early as the Labour Party annual conference next month.

Such a strategy could preserve British influence over the setup of monetary union, particularly in the first half of next year when Mr. Blair will chair the EU summit meeting that picks the launch countries, while retaining leeway over the timing and exchange rate of the pound's eventual entry, analysts say.

"Nothing would give the inclusive Mr. Blair greater pleasure than to align himself with British business, and then see his new combination defeat Mr. Hague's isolationist Tory Party on the critical question of integration with Europe," Gavyn Davies, the chief economist at Goldman Sachs International in London, wrote Monday in the Independent newspaper. He was referring to the Conservative leader, William Hague.

Timing is crucial, however, because in contrast to the impressive convergence of economies on the Continent, Britain's business cycle remains notably out of step. Benefitting from the competitive boost of the 1992 devaluation, the British economy is now in its 5th year of expansion. Unemployment fell sharply to 5.3 percent in August, the government announced Wednesday.

And the Bank of England has driven short-term rates up to 7 percent to blunt inflationary pressures.

The recovery is younger and more hesitant in much of the Continent, meanwhile, with joblessness stuck above 11 percent in Germany, France and Italy, and official German interest rates historically low at 3 percent.

In theory, the two trends should converge in the next year or two as Britain's economy slows down while Germany leads a Continental upswing. But there are no guarantees when that will occur. And shaped by their own painful experience of 1992, Britons are mindful that monetary union could collapse at the last minute if Germany gets cold feet.

As a result, Mr. Hughes predicted that the government will wait to see that the euro is safely launched before committing Britain to join.

WALES: *Enthusiasm Low on Eve of Vote*

Continued from Page 1

Mr. Blair campaigned in northern Wales — an area of resistance — on Tuesday, hoping to use his personal popularity to build support for the new assembly. It was his third visit to Wales, and coupled with intensive campaigning by other officials in his government illustrated the sense of nervousness on the part of proponents that the referendum may not produce an enthusiastic show of support, even if it wins approval.

The relatively quiet campaign reflects the ambivalence of a region that has little of the sense of national identity of Scotland but nonetheless maintains its own cultural identity and nurtures the preservation of a separate language.

Welsh language schools in southern Wales, for example, are oversubscribed, but the ties with England remain strong. "Independence is on the political agenda of Scottish politics, but it isn't in Wales," said Mari James, one of the leaders of the "Yes for Wales" campaign.

Scottish voters made much of the fact that they once had a Parliament that was merged with England's in 1707. In Wales, the memories of a legislative body that briefly existed in the early 15th century are hazy. Nor is there a Wallace-like figure from history to stoke the fires of nationalism.

The Blair government's proposal for Wales is a scaled-down version of what Scotland's voters were offered. The 60-member assembly would have limited powers over affairs in Wales, but unlike Scotland's Parliament, it would not have power to raise or lower taxes.

But proponents claim the assembly would result in vesting more power in elected representatives and reducing the power of appointive organizations known as quangos that have sprung up over the last decade. The assembly would have the authority to determine the distribution of about $11 billion in funds appropriated for Wales by the London government and could offer some resistance to moves by the British Parliament seen as hostile to Welsh interests.

They also argue that it would, for the first time, give Wales the chance to develop an overall economic plan, something they say is necessary to give younger people the sense that they need not move away to lead successful lives.

As a forerunner of what Mr. Blair may have in mind for regional governments in parts of England in the future, it may be more typical of the home rule movement upon which he has embarked.

John Prescott, Britain's deputy prime minister, tried to rally support in Wales Wednesday by stressing "greater democratic accountability."

"We are embarked on fundamental democratic change where we bring this power down to the people to make their decisions," Mr. Prescott said.

DESERTER: *48 Now and Ailing*

Continued from Page 1

deserter, the Marine Corps gave Donald Bailey, a former corporal, a bad-conduct discharge but spared him any time in prison.

But Mr. Bailey's case is different in one key respect — he turned himself in voluntarily after 25 years in Canada — and both Captain Lopez and Captain Lisiecki noted that each desertion case was judged individually.

In Winnipeg, where Mr. Caudill has lived since shortly after he fled, his wife, three daughters and two granddaughters await fearfully for word of his fate. The decision on what charges to bring and whether to seek a prison sentence will be made by the commanding general at Camp Pendleton.

Mr. Caudill's attorney said he was hopeful that the corps would not seek to imprison his client, adding that he had no indication Mr. Caudill deserted because of opposition to the war or any other political motive.

Born in Oklahoma and reared in Ohio, Mr. Caudill joined the Marine Corps in 1966, fresh from high school. He finished basic training, infantry training and advanced communication training.

In Canada, Mrs. Caudill said, "I always knew why he came here, and I supported him fully."

Mr. Caudill earned a college degree in psychology in Canada. He worked as a farm equipment mechanic until arthritis forced him into disability retirement.

He had visited his daughter on Vancouver Island when, after a sightseeing drive that took them into Washington, they were detained while trying to reenter Canada by car ferry at Port Angeles, Washington.

If he had fled to Canada to avoid military service he would have been covered by an amnesty granted by President Jimmy Carter two decades ago. Military personnel who deserted were not covered by that act.

Jean-Claude Ernst/The Associated Press

Gerd Wagner, in an August photo.

BOSNIA: *Crash Kills German Diplomat and 11 Colleagues*

Continued from Page 1

najevo. According to a survivor, the weather was fine when they left Sarajevo, but they encountered "dense fog" west of Fojnica, 35 kilometers east of Bugojno, said a UN spokesman, Liam McDowall.

"They attempted to gain altitude, but ran into a mountainside," Mr. McDowall said.

The helicopter, likely an Mi6HIP, was leased to the United Nations from Ukraine, said another UN spokesman in Sarajevo, Alexander Ivanko.

According to Mr. Kinkel, the helicopter pilot told rescuers that "when he came out of a fog bank he saw the mountain straight in front of him."

Residents of this mountain village perched above an alpine lake managed to summon a doctor to the crash site about 90 minutes after they saw the helicopter plunge into a chasm. Dr. Damir Jaganjac of the hospital in the nearby town of Fojnica said he found 11 burned bodies.

One man in uniform rescued from the wreck was burning as doctors carried him on a stretcher, Dr. Jaganjac said. Having no water, they had to rip open plastic bags containing glucose drips he carried in his emergency kit to try and douse the flames, he added.

A witness, Halid Huskic, said villagers saw the chopper come down and ran to the chasm. Hearing shouts, they clambered down and saw four uniformed men pulling a fifth out of the wreck, he said. Then, a series of explosions — caused either by fuel or ammunition — prevented anybody from approaching the helicopter, he added.

Mr. Wagner's first posting after joining the German Foreign Ministry in 1971 was in Belgrade, then capital of the former Yugoslavia, and he was fluent in Serbo-Croatian.

After a spell in Beirut, he turned to nuclear arms and NATO affairs.

It was the worst accident involving envoys in the Balkans since April 1996, when a plane carrying the U.S. commerce secretary, Ron Brown, plowed into a mountain near Dubrovnik, Croatia, in a heavy storm. Mr. Brown and 34 others aboard were killed.

In New York, the UN secretary-general, Kofi Annan, was "shocked and deeply saddened," said his spokesman, Fred Eckhard. In Washington, President Bill Clinton called the crash "a terrible thing." *(AP, Reuters)*

هكذا من الأصل

HEALTH/SCIENCE

TOMORROW: LEISURE

Dr. Eberhard Meyer; Paul G. Bowers for The New York Times

Hyla rivularis, a nocturnal tree frog that has not been seen since 1993; Dr. Karen Lips with frog specimens at St. Lawrence University.

A New Suspect in Mystery of the Dying Frogs

By Sandra Blakeslee
New York Times Service

NEW YORK — When Dr. Karen Lips trekked deep into the Panamanian rain forest last Christmas to continue her field study of tree frogs, she found a horrifying scene: Dead frogs were everywhere.

"I'd go in the morning and see them sitting on the ground along the stream," said Dr. Lips, assistant professor of biology at St. Lawrence University in Canton, New York. "They looked perfectly alive, as if they were asleep." But their color was faded, and when Dr. Lips picked up the dead animals, they felt hard and leathery, as if they had been turned into stone by a wicked witch.

Dr. Lips picked up 50 dead frogs representing several species, froze 30 of them and put the others in formalin, a preservative, and sent them to a veterinary pathologist in Maryland for examination. What he found may offer a vital clue to a profound global mystery.

Frogs and toads have been disappearing worldwide for 15 years, most often from habitat destruction or from agricultural pollutants. But why they have been dying in near pristine environments in Central America and other protected highlands had remained unknown. The Panamanian frogs, it turns out, had been attacked by a protozoan that may also be killing frogs elsewhere.

Despite widespread frog deaths, this is the first time that a field biologist has come across a large number of frogs in the process of dying, said Dr. David Wake, an evolutionary biologist at the University of California in Berkeley and authority on amphibian extinctions. In the tropics, dead animals are immediately consumed by ants, bees and other creatures.

But now the detectives had finally found a corpse. Dr. Earl Green, the pathologist who examined the bodies, said in a telephone interview: "They appeared normal internally and externally. I could find no evidence of widespread viral, bacterial or fungal infections. But it looks like a protozoan of some sort had infiltrated their skin."

Dr. Green said the identity of the protozoan remains unknown, although it resembles a pathogen that kills oysters in Chesapeake Bay. Because amphibians breathe and drink water through their skin, the skin damage caused the frogs to suffocate and dehydrate, he said. How long the process takes is not known, but since entire populations can disappear in months it is not a lingering disease.

Dr. Lips and others believe that the lethal protozoan is sweeping across Central America in a "death wave" moving through the mountains, from one range to the next. Biologists conjecture that the disease first broke out in the Monteverde Cloud Forest Reserve in northwestern Costa Rica in the late 1980s. It has since moved south and east into Panama and may have traveled north into Nicaragua. In July, a tourist found dead and dying frogs on an island in the middle of Lake Nicaragua, but none of the animals were preserved for autopsy.

IN a finding that only serves to deepen the mystery, Australian biologists last year reported that they believe a similar "death wave" killed amphibians in the lush mountain forests of Queensland in the 1980s and 1990s. They suspected a virus. But when Dr. Green recently shared his slides of Panamanian frog skins with an Australian pathologist, she sent him e-mail saying what he had found was exactly what she was seeing in dying Australian frogs. Could the same disease be killing frogs and toads in Central America and Australia? If so, where did it come from?

With financing from the Brookfield Zoo in Chicago, Dr. Green and his counterparts from several countries plan to meet at Loyola University in Chicago next month to examine slides of frog tissue under a powerful electron microscope. They will look at the most recent specimens as well as older tissues preserved in museum or private collections with the hope of finding common parasites.

Field biologists on all continents first started noticing amphibian declines about 15 years ago, Dr. Wake said. They would go back to their sites and find that once abundant animals were gone or greatly diminished in number. The animals evidently died in their burrows or were carried off by carrion eaters.

But the amphibian decline that most galvanized international attention occurred in Costa Rica's Monteverde Reserve, the home of the spectacular golden toad. In 1987, the last year the population was at a normal level, biologists saw hundreds of thousands of animals gleaming like jewels in the dark green forest, Dr. Wake said. Two years later, they only found five animals. Since then, not one has been seen. In a paper to be published in December in the journal Conservation Biology, scientists report that the golden toad is almost certainly extinct. Twenty other species of frogs and toads are also missing from the region.

Is Menopause A Key to Survival?

The Grandmother Hypothesis

By Natalie Angier
New York Times Service

NEW YORK — The Hadza people of northern Tanzania are a small group of hunter-gatherers who share a language, a culture and a distaste for gardening. Time and again, government and church agencies have sought to transmute them into full-time farmers, but the Hadza have always returned to the bush, where they subsist on wild goods like fruits, honey, tubers and game. The terrain is hard and hilly, and so is the life, but on one incomparable resource the foragers can always rely: a pack of old ladies with hearts like young horses.

As Dr. Kristen Hawkes of the University of Utah and her colleagues have found in their extensive studies of the Hadza, women in their 50s, 60s, 70s and beyond are among the most industrious members of the group. They are out in the woods for seven or eight hours a day, gathering more food than virtually any of their comrades.

When a young woman is burdened with a suckling infant and cannot fend for her family, she turns for support, not to her mate, but to a senior female relative — her mother, an aunt, an elder cousin. It is Grandma, or Grandma-proxy, who keeps the woman's other children in baobab and berries, Grandma who keeps them alive. She is not a sentiment, she is a requirement.

As Dr. Hawkes, Dr. James O'Connell of the University of Utah and Dr. Nicholas Blurton Jones of the University of California at Los Angeles report in the latest issue of Current Anthropology, a nursing Hadza woman always has a post-menopausal helper. There are only about 750 Hadza and they are contemporary hunter-gatherers, not pristine relics of prelapsarian humanity. Nevertheless, the centrality of elder women to their group's survival has thrown fresh kindling on the spirited debate over the origins and purpose of human menopause.

As doctors and women thrash out the best way to "treat" menopause, pitting the benefits of estrogen therapy to the heart and bones against the risks the hormone poses to the breast and possibly the ovaries, evolutionary scientists address the menopause mystery from a more high-flown, though no less quarrel-prone, perspective. They ask whether menopause is an ancient adaptation or a contemporary artifact.

Proponents of the adaptationist camp generally see menopause as the thriftiest solution to the problem of exorbitant offspring. By this view, the amount of time required for a mother to rear children to maturity led to the need for so-called premature reproductive senescence, early retirement of the ovaries.

Through the mechanism of menopause, an ancestral woman theoretically was spared the risks of childbirth, and thus had a heightened chance of living long enough to see her children out the door. Dr. Jared Diamond, a physiologist at the University of California at Los Angeles Medical School has said that menopause, like big brains and upright posture, is "among the biological traits essential for making us human."

The artifactualists insist that prehistoric women almost never survived past the age of 30, let alone long enough to experience hot flashes. By their reckoning, menopause is a modern luxury, the result of women now outlasting an egg supply that more than sufficed for the cameo appearances that their Stone Age foremothers called lives. "For most of our existence, we simply didn't live very long," said Dr. Alison Galloway, an anthropologist at the University of California at Santa Cruz. "Menopause happens because, through technology, we've extended our lives to the point where we run out of egg follicles. There's nothing beneficial about it."

DR. HAWKES lends a new spin to the debate, combining elements of each camp and adding a few bold spirals of her own. She agrees with the artifactualists that menopause per se is not an adaptation — it is not the product of selective design. A woman's ovaries do not shut down "prematurely," she says.

On the other hand, Dr. Hawkes concurs with the adaptationists that prehistoric women very likely often survived past menopause, and that they were instrumental to the survival of their families. She goes further. Only with the ascent of the grandmother, she says, were human ancestors freed to exploit new habitats, to go where no other hominid or primate had gone before, and to become the species we know so well.

"The Grandmother Hypothesis gives us a whole new way of understanding why modern humans suddenly were able to go everywhere and do everything," Dr. Hawkes said. "It may explain why we took over the planet."

Anger, Panic at Diet Drug Recall

By Carey Goldberg
New York Times Service

BOSTON — They know. They know that the drugs would not have been recalled lightly. But still, among the millions of American dieters who had seen Redux and the fen-phen combination as the weight-loss magic they crave, there were voices expressing a loss of hope, and even sparks of defiance.

"If they sell them in Canada, I'll drive up there and come back with a carload of them," said Marlena Bendt, a 65-year-old woman in Hoffman Estates, Illinois, who has struggled with her weight all her life and recently lost 70 pounds (32 kilograms) on fen-phen. "There are people who can't live without those drugs. For me, fen-phen is an alternative to dying."

For the obese and for those trying to respond to the dictates of a weight-obsessed culture, the struggle to lose weight often means weighing health risks against the chances of losing weight.

The response to the recall of fenfluramine, or Pondimin, and dexfenfluramine, or Redux, highlighted the depth of frustration that makes many a dieter willing to risk whatever it takes if only, only he can stop being fat.

So intense can dieters' desire for pharmaceutical hand-holding become that some doctors said they had to stonewall outraged patients who insisted on being prescribed the pills, recall or no recall.

Dr. Robert S. Nierman, an obesity specialist in Lexington, Massachusetts, said a patient "came in today, knowing what happened yesterday, and said, 'I want my fen-phen back.' I said, 'You could die from heart disease' and she said, 'I want it anyway.'"

And one Boston weight-loss clinic official said that a patient had once warned her that if doctors here would not prescribe her the fen-phen she wanted, she knew a doctor in New York who would.

"And I thought, boy, this was like going to New York for an abortion," said Patricia Nelson, associate director of Feeding Ourselves, a hospital-affiliated treatment program for binge eating disorders.

"That's a real testimony about how panicky people are about the issue," she added

Panicky, and sad — for though the drugs caused cardiological disaster for some, injuring their heart valves, they brought prospects of the slimness of fantasy to others.

"It's almost like, throw it out there and give people hope, then yank it away," said Maureen McNulty, a patient of Dr. Nierman's who had been losing weight on a program of drugs and behavior modification since March.

Andrew Rudnick, who founded a chain of five fen-phen-based weight-loss clinics around Boston last year after he lost 60 pounds on the combination, said that he had been "looking at fen-phen when it first came out as the miracle pill that would change my life. And it's sort of like finding out that Santa Claus isn't real, you know?"

Business has fallen off sharply lately for Mr. Rudnick, whose clinics stopped dispensing fen-phen a week ago, he said, even though his program offered herbal aids and tried-and-true behavior modification along with the pills.

The same goes for Dr. Nierman, who stopped prescribing fenfluramine five months ago when indications mounted that it could cause lung problems.

He can still offer patients Ionamin, an amphetamine-like drug that suppresses appetite, as part of a program that includes behavior modification and education; but interest has fallen off, he said, now that there is no illusion of a fen-phen magic bullet.

Many weight-loss clinics around the United States have found themselves in similar situations: The wave of attention that surrounded the release of Redux last year and prompted the creation of "pill mills," or weight-loss clinics built on prescriptions, gave way in recent months to a reverse wave of negative publicity.

In Boston alone, nearly half the weight-loss clinics that advertised fen-phen and Redux in this year's Yellow Pages seemed to have already gone out of business, their phones disconnected.

THUS the actual recall of the two popular drugs did not come out of the blue. Neither did word of side effects. Along with the more serious effects now documented in the study that led to the recall, some fen-phen users reported an uncomfortable hyper feeling, foggy thinking and other troubles.

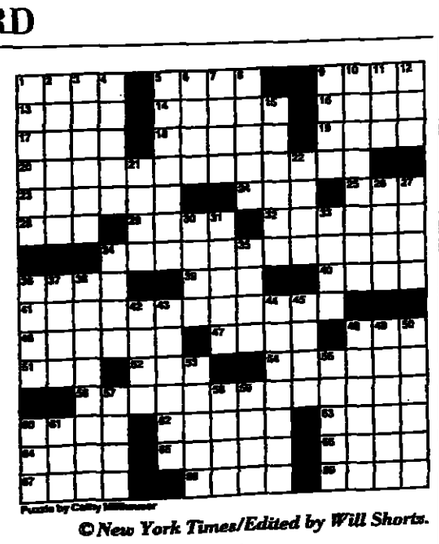
"You're taking legalized speed," said Helen Shull, a retailer in Newport Beach, California, who lost 30 pounds on phen-fen but has since gained them back. "We all want that quick fix. It was the answer."

But, she said, "Now, it will kill us, like everything."

CROSSWORD

ACROSS
1 Breeze
5 Appetizer for Juan
9 Cornrows alternative
13 Summer cabin site
14 Curaçao neighbor
15 Cherokee, for one
17 Suffix with sinus
18 Two of a 60's quartet
19 Loads
20 Hacked it, as a farmer?
22 Script scraper
24 Cling to
25 Bill Nye's subj. on TV
28 Forum matter
29 Médoc, merlot, etc.
32 Surpassed
34 Hacked it, as a highway engineer?
36 1988 World Series stadium
39 Long March leader
40 Smeltery input
41 Hacked it, as a candlemaker?
46 Informal hatrack
47 Medal recipient
48 Prefix with pressure
51 Literary initials
52 Dawn deity
54 Lily-livered
56 Hacked it, as a pelican?
60 Salalah's land
62 "Vive ——!"
63 Restrain
64 [Get the joke?]
66 Microscopy supply
68 Inventor Elisha
67 "Don't be startled"
68 Some are horned
69 Lt. Columbo et al.
11 Monogrammatic car of old
12 Choose
15 Perspicacious
21 Sister of Zeus
22 Eagerly excited
26 Grant
27 Middle of a mensis
30 Sample
31 Secret supply
33 Academic handle
34 Handle without care
35 Sharpen
36 Try for a fly
37 Geiger of Geiger counter fame
38 Pop music's Gloria and Emilio
42 Fiske (off)
43 Longhaired fad dolls
44 Scamps
45 "Watch out!"
49 Do the Wright thing
49 Larry Bird was one
50 But
53 Handle
55 Prior's superior
57 Black and wet
58 Tie
59 Labor
60 Have a tab
61 Veterans' concern, briefly

DOWN
1 Deli need
2 John Muir's interest
3 Muscular dogs
4 Rats, gnats, etc.
5 Like some jeans legs
6 80's-90's writer Saroyan
7 Kind of platter
8 Discompose
9 Open, but just
10 Crystalline mineral



Puzzle by Cathy Millhauser

Solution to Puzzle of Sept. 17

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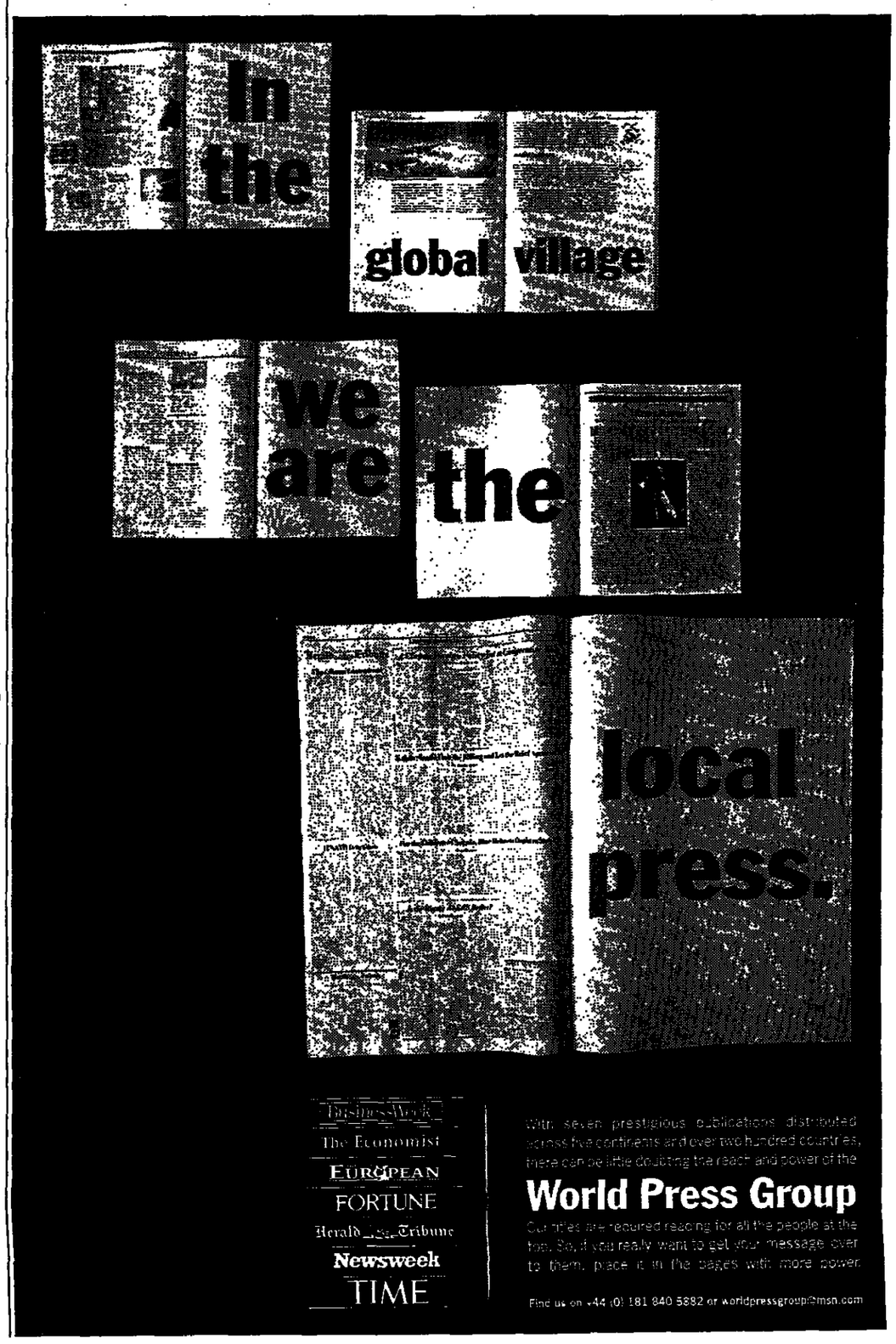

NYSE

Wednesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

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THE WORLD'S DAILY NEWSPAPER

Continued on Page 16

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BUSINESS/FINANCE
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IMF Gives Bearish Outlook for Growth in Asian 'Tigers' and Japan

By Alan Friedman
International Herald Tribune

HONG KONG — The IMF offered a bearish outlook Wednesday on much of Asia, revising downward its growth estimates for both Japan and the Southeast Asian "tiger" economies that have been battered by financial and market turmoil in recent weeks.

Thailand, the hardest-hit of the Asian economies, was described as performing "less well" than the International Monetary Fund hoped when it put in place a $17.2 billion bailout last month, a senior Fund official said.

"Things have gone less well than we would have hoped at the time of the rescue package," said Michael Mussa, the organization's chief economist.

Asked to cite examples, he said it would "take some time to work off excess investment in real estate."

"Specifically," he added, "we hoped financial market conditions would stabilize quickly and that pressure on the Thai baht and other currencies would be more subdued."

In addition, Mr. Mussa said, "there has been continuing turbulence in markets, and it is our view that this is being overdone."

He admitted, however, that "it will take a little longer to persuade financial markets that conditions for a recovery are in place."

Other IMF officials denied news reports in Bangkok that the Fund was withholding funds in its rescue package until Thailand took more concrete steps to implement measures to reform its financial system.

Some private-sector analysts fear that if Thailand's governing coalition were to collapse, as is thought possible in coming days and weeks, the currency and equity markets in Bangkok and elsewhere in the region could be hit again.

As a result of the crisis, the IMF is now predicting that Thailand's 1997 growth will slump to 2.5 percent from 6.4 percent last year. The forecast for 1998 is for 3.5 percent growth, meaning that both this year and next year could be considered a recession for Thailand, Mr. Mussa said.

The Thai forecast was contained in the Fund's semiannual World Economic Outlook, which was released here Wednesday.

In sharp contrast to the East Asian outlook, the IMF hailed the likely increase in overall world output, saying the global economy would grow by 4.2 percent in 1997 and 4.3 percent in 1998, making for "the strongest pace in a decade." Indeed, it said the world economy was now set for the longest period of growth in 25 years.

The financial turmoil in East Asia, meanwhile, caused the IMF to revise downward its growth forecasts for the region.

Mr. Mussa said he had written down by 3 to 4 percentage points the aggregate growth potential of Thailand, Malaysia, Indonesia, the Philippines and South Korea.

"It is very important for governments in the region to take the right actions," he said. "There is no doubt that current-account deficits must be reduced, along with spending reductions."

Assuming that reforms are implemented, Mr. Mussa said, "There should be clear evidence of a turnaround within the coming year."

The IMF report forecast 1997 growth of 7 percent for Indonesia, down from 7.8 percent last year; 7.5 percent for Malaysia, compared with 8.2 percent in 1996; 6 percent for South Korea, down from 7.1 percent last year; and 6 percent for Singapore, down from 7 percent in 1996. Hong Kong was one of the few forecasts of higher growth, with the Fund forecasting a rate of 5.3 percent, up from 4.9 percent in 1996.

Japan's economic woes caused the IMF to write down its growth forecasts by about 1 percentage point for each of the next two years, with growth forecast at 1.1 percent in 1997 and 2.1 percent in 1998. The Japanese economy expanded by 3.5 percent last year. Mr. Mussa said Japanese exports would suffer "a negative impact" as a result of the crisis in Thailand and other tiger economies that have traditionally been customers for Japanese goods.

Despite the regional setbacks, Mr. Mussa stressed that Asia would continue to generate world's strongest growth next year, led by China, which would grow by 9.5 percent in 1997, slightly below its 9.7 percent growth in 1996.

Mr. Mussa praised the low-inflation growth of countries such as the United States and Britain.

"The U.S. continues its exceptional growth with 3.7 percent this year," he said, adding that growth was forecast at 2.6 percent for 1998. Britain's growth rate in 1997 is forecast at a strong 3.3 percent, up from 2.3 percent in 1996.

Mr. Mussa said the Federal Reserve Board would probably raise U.S. interest rates by as much as half a percentage point over the next six months, but he stressed that this should not cause "a big shock effect."

Likewise, he said that it would be "reasonable" to expect Germany to raise interest rates slightly above the present 3 percent level over the next six months.

Another Fund official, Flemming Larsen, said he expected European central banks to begin coordinating monetary policy next year, once European single currency members fix exchange-rate conversion levels. Asked if he believed that would mean a de facto fixing of exchange rates among European monetary union members next spring, he said, "That is the implication, yes."

The IMF is forecasting 1997 growth in Germany of 2.3 percent, against 1.4 percent last year; of 2.2 percent for France, compared with 1.5 percent in 1996; and of 1.2 percent for Italy, up from 0.7 percent last year.

At IBM, Few Offices, but Room for Boss to Roam

By Laurence Zuckerman
New York Times Service

ARMONK, New York — In 1964, when IBM moved into its sprawling corporate headquarters sitting majestically atop a hill in this upstate New York town, the company not only dominated the computer industry but also stood as the model U.S corporation of its day — faceless, gray and even dehumanizing as the building and company may in retrospect seem.

On Thursday, when International Business Machines Corp. cuts the ribbon on a new, much smaller corporate

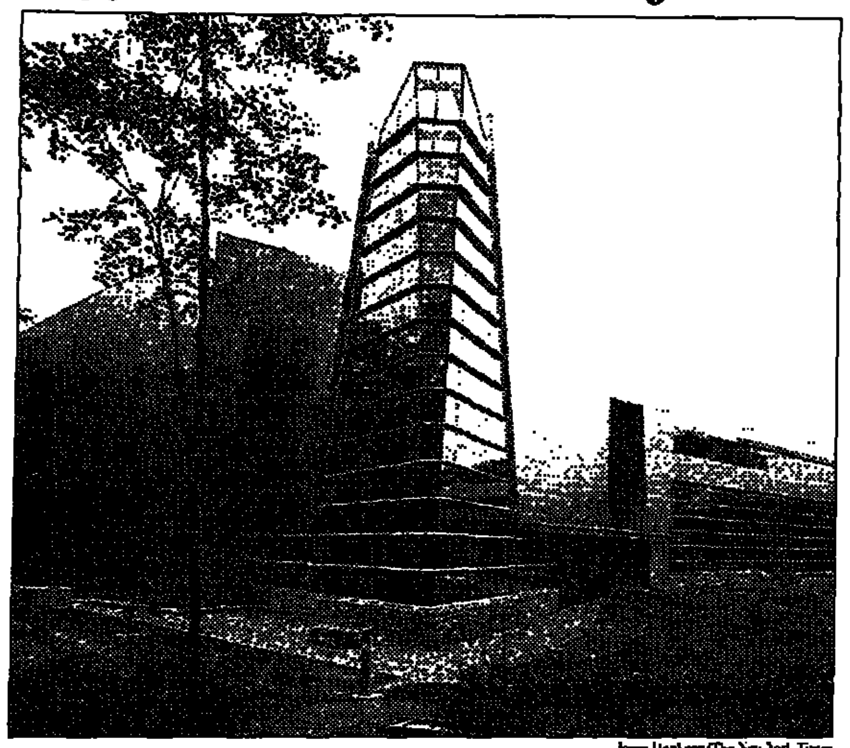
INTERNATIONAL MANAGER

home nestled in a woodsy ravine nearby, the building will signify the postmodern, post-downsizing, employee-empowerment era that the company now represents.

Far from the earlier Organization Man era, when corporate headquarters were symbols of strength and power; these days the headquarters of the largest companies are increasingly the place where fewer people handle a few, crucial tasks — like long-term strategy and finance — with the day-to-day decision making left to division managers in other locations.

And in IBM's new quarters, no detail may better embody the differences between the business world's architectural and management thinking in the 1960s and the '90s than the placement of the office of the company's chairman, Louis Gerstner.

In the old 420,000-square-foot (38,000-square-meter), 900-person headquarters that Mr. Gerstner inherited when he joined the ailing company in 1993, he worked in a cloistered space at the end of a long, forbidding corridor of private offices.



Joyce Dopkeen/The New York Times

The new IBM headquarters in Armonk, to be inaugurated Thursday.

Now, in the new headquarters that he helped design, he and other top executives occupy the center wing of the Z-shaped structure, with most of the 600 other people working at cubicles in expansive spaces obstructed by few walls or doors. The 280,000-square-foot building tapers off at the ends so that the maximum amount of floor space is near the center — where Mr. Gerstner's office is.

"The idea is to have as many people as close to him as possible," said William Pedersen, a partner at Kohn Pedersen Fox Associates, which designed the building. The open floor plan and use of the latest technology emphasize collaborative work by employees, who can tote their portable PCs anywhere in the building and still be connected wirelessly to the Internet.

Though the old and new headquarters buildings are both situated on the same 432-acre (173 hectare) parcel that IBM bought in the mid-'50s, they couldn't be more different. The old, designed by the architects Skidmore, Owings & Merrill, was a classic example of the corporate architecture of the Cold War era — betraying no sign that it was home to a computer company and dominated by scores of private offices as well suited, say, to an insurance company as to the highest of the original high-technology companies.

As IBM stumbled in the 1980s and early 1990s, laying off tens of thousands of employees and racking up billions in losses, its headquarters, too, seemed to reflect the decline. The building lacked the wiring needed for high-speed networks of personal computers. It was also aging fast, with escalators and elevators regularly breaking down.

The new headquarters is the vision of the imperious Mr. Gerstner, who was brought in to turn around the company in 1993. Unlike IBM's legendary chairman Thomas Watson, who hired world-renowned architects to design his buildings, Mr. Gerstner, who has sold off billions of dollars worth of IBM-owned real estate since his arrival, was not interested in winning design awards.

"This is a building for IBM and its customers," he said during an interview in the conference room adjoining his new office, which overlooks the dense forest that creeps right up to the edge of the building. "It's not a building for architects."

To be sure, the top jobs still have their perks. Mr. Gerstner and his chief lieutenants have large private offices on the top floor of the three-story building, each with a private conference room attached. Mr. Gerstner's suite even has a private shower.

The bulk of staff, with the exception of the company's lawyers, occupy open cubicles.

"I like to walk the floors," Mr. Gerstner said. "There is a sharing that happens in an open environment. Those are values that I felt were important to IBM." He said senior executives needed privacy because they spent much of their day seeing customers and often did sensitive tasks like management reviews.

To compensate for the lack of private space, there are several spots designed for informal meetings, as well as 38 conference rooms distributed around the building.

Agence France-Presse

Hidekuni Iyama, center, a Yamaichi ex-managing director, in custody.

Tokyo Penalizes Yamaichi

5 Executives Arrested for Payoffs to Gangster

By Velisarios Kattoulas
International Herald Tribune

TOKYO — The police arrested five former and current executives of Yamaichi Securities Co. on Wednesday for bribing a gangster at the center of a scandal that has ensnared three top financial institutions and appears likely to embarrass more.

The latest arrests at Yamaichi, Japan's fourth-largest brokerage, again highlighted the ties between companies and *sokaiya* gangsters who blackmail executives over their personal lives and business practices.

Following the arrests, which coincided with raids at Yamaichi offices by around 100 prosecutors, the Finance Ministry suspended the company from underwriting government bond issues.

The suspension was immediate and will continue until "administrative action" is taken against the company, the ministry said.

The former and current Yamaichi executives were arrested for payoffs to Ryuichi Koike, a convicted extortionist. Similar payoffs to Mr. Koike have already led to 15 arrests at Nomura Securities Co., Japan's largest brokerage, and Dai-Ichi Kangyo Bank Ltd., one of Japan's largest banks.

Furthermore, Nikko Securities Co. and Daiwa Securities Co., Japan's second- and third-largest brokerages, have also made payoffs to Mr. Koike, according to Japanese press reports.

The Securities and Exchange Surveillance Commission refused to comment on the criminal complaints it filed Wednesday. But press reports said that Yamaichi and the executives could be charged with paying off a gangster under the Commercial Code, and with compensating a client for losses on investments under the Securities and Exchange Law, the reports said.

With managerial approval, the reports said, Yamaichi executives paid Mr. Koike 79 million yen ($655,600). The money was siphoned from profit made in Singapore and paid as compensation for losses between June and November 1994 on an account in the name of Kojin Building, a construction company owned by Mr. Koike's brother, Yoshinori. The men were arrested in May.

At a news conference, Shohei Nozawa, who became Yamaichi's president following his predecessors' resignation in August, denied that the brokerage had been involved in the payoffs and said the men had made the payoffs as "individuals."

Partly because of the arrests, the benchmark Nikkei stock average finished down 291.23 points at 17,683.27.

Apple and Jobs Revive Old Romance

By Elizabeth Corcoran
Washington Post Service

CUPERTINO, California — It is a poignant story: An old romance, broken off in anger years ago, now gets a second chance. Will he be true this time?

Only Steve Jobs knows for sure.

Apple Computer Inc. officially appointed Mr. Jobs, the charismatic cofounder whom it expelled as a disruptive force in 1985, as interim chief executive Tuesday. The announcement acknowledged the obvious. For the past two months, since Apple's board ousted Gilbert Amelio as chairman and chief executive of Apple, Mr. Jobs has been running the company.

Much like a rekindled romance, much remains the same. Mr. Jobs brings both the sparkle — and problems — back to Apple with him. "It's deja vu," said Stewart Alsop, a venture capitalist with New Enterprise Associates of Menlo Park, California, and a longtime Apple watcher.

For the company to succeed, however, Mr. Jobs can't simply replay history, many industry analysts contend. Instead, he's going to have to both build a new long-term strategy for Apple and prove that he is willing to stick with it.

"The key to me is that someone has to commit to lead Apple," said Michael Murphy, editor of the California Technology Stock Letter. "Someone has to come up with a vision for computing, pledge to work nonstop to turn the ideas into reality — and stick it out."

[Apple said Wednesday that its marketing director, Guerrino De Luca, resigned after only seven months on the job, the latest in a series of executive changes, Bloomberg News reported.

[Mr. De Luca, 44, an Amelio appointee, said his resignation was "a personal decision which does not reflect my assessment of the company's prospects."]

Since Mr. Jobs began spending time at Apple as a "strategic adviser," even before Mr. Amelio left, he has been behind several key changes in strategy.

In a break with the past he pushed for a nearly clean sweep of the long-time members of Apple's board as well as a switch in the board's compensation. Since the new board was appointed in mid-August, all members — and that now includes Mr. Jobs — receive options on 30,000 shares of Apple stock instead of cash as compensation.

In other ways, though, Mr. Jobs is sticking firmly with the past, notably in his decision to go back to Apple's old policy against encouraging the production of "clones" of the Macintosh computer, its main product.

In the last two years, Apple had cautiously moved away from the strategy of keeping key technology in-house, hoping to expand the overall market for Macintosh-compatible computers. But it found that most of the clonemakers' sales were coming from customers taken away from Apple. Now Apple has in effect killed off the clone market.

Chief Quits At Philip Morris Unit

Bloomberg News

NEW YORK — James Morgan, the president of Philip Morris Cos.'s U.S. tobacco division who said cigarettes are no more addictive than candy, will retire Nov. 1, the company announced Wednesday.

Philip Morris, the world's top cigarette maker, did not give a reason for the resignation and said Mr. Morgan had been considering the move for several months. Mr. Morgan was not immediately available for comment.

Mr. Morgan will be replaced by Michael Szymanczyk, who is chief operating officer of Philip Morris U.S.A. The position will continue to report to William Webb, the parent company's chief operating officer.

Mr. Morgan, 55, said in a court-ordered deposition in April that the nicotine in cigarettes was not any more addictive than Gummi Bears. The deposition was taken by Stanley Rosenblatt, a Miami attorney who is suing cigarette makers on behalf of Florida smokers and flight attendants exposed to second-hand smoke.

Mr. Morgan had worked for Philip Morris for more than 28 years and was named president and chief executive officer of the division at the end of 1994.

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CURRENCY & INTEREST RATES

Cross Rates

Sept. 17

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.993	3.1935	1.1262	0.3352	0.1154*	—	5.4575*	1.2494	1.6575*	1.4365	1.3345*
Brussels	36.63	58.51	20.6375	6.139	2.1155*	18.3275	—	25.075	0.3035	26.39	24.45*
Frankfurt	1.7737	2.834	—	0.2976	0.1025*	0.8881	4.8442*	1.2156	1.4716*	1.2776	1.1852*
London (a)	1.6022	—	2.8336	9.5191	2,766.15	3.1902	58.4785	2.3298	192.4743	2.2234	239.137
Madrid	149.622	239.126	84.389	25.117	8.647*	74.938	4.0897	102.579	124.322*	107.925	—
Milan	1,729.30	2,766.90	975.40	290.59	—	866.83	47.256	1,136.50	14.339	1,246.00	11.571
New York (b)	—	1.6013a	1.7724	5.951	1,738.80	1.9947	36.57	1.4615	120.90	1.3888	149.65
Paris	5.957	9.5205	3.36	—	0.3443*	2.9836	0.1628	4.3641	4.9495*	4.2921	3.937*
Tokyo	120.95	193.23	68.36	20.35	0.782	60.72	3.3146	82.47	—	87.27	0.8106
Toronto	1.3886	2.2238	0.7836	0.2332	0.0803*	0.6958	0.3797*	0.9495	1.1451*	—	[illegible]
Zurich	1.4551	2.3336	0.8224	0.2449	0.0843*	0.7307	3.9968*	—	1.2114*	1.045	[illegible]
1 ECU	1.1086	0.6936	1.9455	6.6839	1,918.17	2.2134	40.5578	1.617	133.417	1.5356	165.678
1 SDR	1.3632	0.8532	2.4179	8.1204	2,358.67	9.2037	49.8734	1.9803	164.677	n.q.	203.971

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	280.26	Mex. peso	7.767	S. Afr. rand	4.682
Australian $	1.3933	Hong Kong $	7.7447	N. Zealand $	1.5748	S. Kor. won	908.60
Austrian sch.	12.474	Hung. forint	194.34	Norw. krone	7.2513	Swed. krona	7.6356
Brazil real	1.092	Indian rupee	36.40	Phil. peso	32.50	Taiwan $	28.61
Chinese yuan	8.3171	Indo. rupiah	2965.00	Polish zloty	3.44	Thai baht	35.55
Czech koruna	33.40	Irish £	0.6704	Port. escudo	180.09	Turkish lira	170130.
Danish krone	6.7489	Israeli shek.	3.5025	Russ ruble	5851.00	UAE dirham	3.6725
Egypt. pound	3.3983	Kuw dinar	0.302	Saudi riyal	3.75	Venez. boliv.	496.00
Fin. markka	5.3197	Malay. ring.	3.006	Sing. $	1.5180		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5965	1.5945	1.5925	Japanese yen	119.79	119.28	118.77
Canadian dollar	1.3841	1.3818	1.3795	Swiss franc	1.4573	1.4558	1.4547
Deutsche mark	1.7688	1.7654	1.7620				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 5/8	3 1/8 - 3 1/4	1 1/8 - 1 1/4	7 1/16 - 7 3/16	3 1/4 - 3 3/8	1/2 - 5/8	4 3/16 - 4 1/4
3-month	5 9/16 - 5 5/8	3 3/16 - 3 5/16	1 1/4 - 1 1/2	7 3/16 - 7 1/4	3 5/16 - 3 7/16	1/2 - 9/16	4 1/4 - 4 5/16
6-month	5 11/16 - 5 3/4	3 5/16 - 3 7/16	1 1/2 - 1 5/8	7 1/4 - 7 3/8	3 3/8 - 3 1/2	1/2 - 9/16	4 3/8 - 4 7/16
1-year	5 7/8 - 5 15/16	3 5/8 - 3 3/4	1 9/16 - 1 11/16	7 7/16 - 7 9/16	3 11/16 - 3 3/4	9/16 - 5/8	4 7/16 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5½	5½
90-day CDs dealers	5.60	5.61
180-day CP dealers	5.50	5.51
3-month Treasury bill	4.98	4.93
1-year Treasury bill	5.17	5.17
2-year Treasury bill	5.78	5.77
5-year Treasury note	5.99	5.98
7-year Treasury note	6.03	6.02
10-year Treasury note	6.09	6.08
30-year Treasury bond	6.39	6.40
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.42
1-month interbank	0.59	0.57
3-month interbank	0.54	0.52
6-month interbank	0.54	0.54
10-year Gov't bond	2.17	2.19
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.15
1-month interbank	3.22	3.22
3-month interbank	3.31	3.31
6-month interbank	3.43	3.43
10-year Bund	5.79	5.57

Britain	Close	Prev
Bank base rate	7.00	7.00
Call money	7.00	6 15/16
1-month interbank	7.00	7.00
3-month interbank	7 1/16	7.00
6-month interbank	7 3/16	7 3/16
10-year Gilt	6.73	6.73
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3¼	3¼
3-month interbank	3 5/16	3 5/16
6-month interbank	3⅜	3 7/16
10-year OAT	5.49	5.52

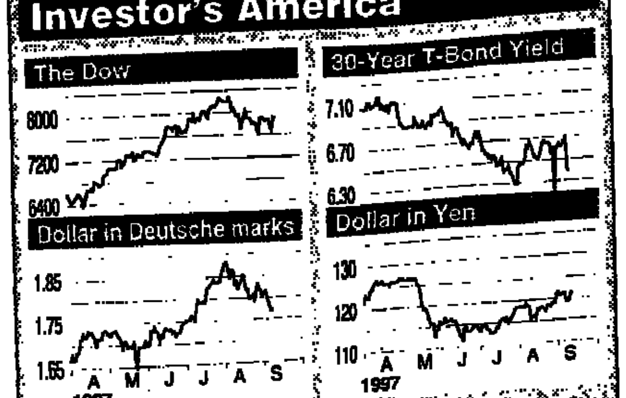
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	n.a.	320.50	—0.30
London	319.95	320.45	—0.55
New York	322.80	322.20	—0.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Investor's America



Exchange	Index	Wednesday @ 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7886.44	7895.92	-0.12
NYSE	S&P 500	942.99	945.86	-0.30
NYSE	S&P 100	910.74	912.14	-0.15
NYSE	Composite	493.21	493.79	-0.12
U.S.	Nasdaq Composite	1666.48	1668.56	-0.12
AMEX	Market Value	683.01	680.12	+0.42
Toronto	TSE Index	6990.49	6952.06	+0.56
São Paulo	Bovespa	11483.57	11207.81	+2.46
Mexico City	Bolsa	4963.62	4833.12	+2.70
Buenos Aires	Merval	821.58	800.90	+2.58
Santiago	IPSA General	5528.89	5496.64	+0.59
Caracas	Capital General	10507.97	10570.29	-0.59

Source: Bloomberg, Reuters — International Herald Tribune

U.S. to Prod Japan to Cut Its Trade Surplus

Compiled by Our Staff From Dispatches

WASHINGTON — Treasury Secretary Robert Rubin said Wednesday that Washington would "continue to focus on" Japan's trade surplus after it was announced that it had soared in August for the fifth consecutive month.

Mr. Rubin said the trade issue would be raised at the meeting of the Group of Seven leading industrialized nations scheduled to begin Saturday in Hong Kong.

In those meetings he said he would ask how Tokyo planned "to focus on the challenges they have in fulfilling the prime minister's objective in not having a significant sustained increase in their trade surplus."

When asked if Japan was doing enough to produce economic growth through increases in domestic demand, Mr. Rubin said he would "withhold judgment until after the meetings."

Japan's customs-cleared trade surplus for August rose 113.6 percent from August 1996, to 742.06 billion yen ($6.16 billion), the Ministry of Finance said.

The surplus with the United States, which has complained about the growing trade imbalance between the two countries, jumped 59.8 percent, to 350.60 billion yen. The surplus with Europe rose 96.2 percent.

Economists said brisk exports of products to the United States, and other trading partners whose economies are strong, continued to push up the surplus in August.

Weak demand for imported products following an increase in Japan's consumption tax in April to 5 percent from 3 percent. The weakening of the yen, which tends to raise import prices, also helped increase the surplus.

In August, exports rose 14.4 percent from a year earlier, with shipments of cars, semiconductors and optical devices leading the way. Imports increased 3.4 percent.

"Sluggish domestic demand in a weak economy is prompting Japanese manufacturers to boost exports," said Kenji Arata, economist at MCM Asia Pacific Co.

Japanese officials argue that domestic demand will pick up toward the end of the year and could help increase imports eventually. Japan announced last week that economic growth in the April-to-June period registered its sharpest contraction in 23 years.

Despite the growing tension with Washington about the surplus, Finance Minister Hiroshi Mitsuzuka said he expected Japan's trade surplus to rise in the short term.

"I don't rule out a rise of the trade surplus in the short term," he said. "But, when considering the basic underlying economic trend, the trade surplus will not continue rising significantly" in the longer term.

The governor of the Bank of Japan, Yasuo Matsushita, said he saw no immediate need for extra steps to bolster the economy, shrugging off calls from within Japan and abroad.

Japanese executives have called on the government to draft economic stimulus measures to provide additional public-works spending to spur the economy.

Mr. Matsushita said the economy had slowed because the sales-tax increase in April "has temporarily dampened domestic demand."

"Yet exports are rising, corporate profits are recovering and capital investment and employment are firm," he said. "We consider the basis for domestic demand recovery to be intact." *(AFX, Reuters, Bloomberg, AFP)*

Fleet to Acquire Quick & Reilly

The Associated Press

NEW YORK — Fleet Financial Group Inc. said Wednesday that it was buying the discount broker Quick & Reilly Group Inc. for about $1.6 billion in stock in the latest combination of a commercial banker with a securities firm.

Fleet, the nation's 11th biggest bank, is acquiring the No. 3 U.S. discount brokerage firm. Quick & Reilly trails Charles Schwab Corp. and the Fidelity brokerage unit of FMR Corp.'s Fidelity Investments.

Fleet said the deal would give it a national distribution network for Fleet investment products as well, making a broader range of products available to Fleet customers.

Each Quick & Reilly share will be exchanged for 0.578 of a Fleet share. Quick & Reilly finished down 50 cents at $38.50, while Fleet fell $1.6875 to $69.0625

Specter of Inflation Haunts Bundesbank

Compiled by Our Staff From Dispatches

NEW YORK — The dollar remained in a narrow trading range against the Deutsche mark on Wednesday, even though the Bundesbank issued further warnings about its resolve to keep vigilant about inflation dangers.

The German central bank said in its monthly report issued Wednesday that it would need to act early to contain any inflationary pressures, a further sign that the bank might be preparing for the first German rate rise in five years.

Ernst Welteke, a member of the central bank's council, added to the market's unease by saying in London that the German inflation rate and other inflationary indicators were "going in the wrong direction."

FOREIGN EXCHANGE

Speculation about a Bundesbank move to raise rates has been fueled by the 14 percent decline of the mark against the dollar so far this year. In 4 P.M. trading, the dollar was at 1.7724 DM, up from 1.7693 DM on Tuesday.

The dollar was also little changed against the yen, slipping to 120.900 yen from 121.225 yen in spite of the announcement of a wider-than-expected Japanese trade surplus for August.

Mike Wallace, currency strategist at MMS, said the Group of Seven meeting this weekend in Hong Kong overshadowed trading, with dealers reluctant to take positions until they saw how the group of leading industrialized nations assessed current currency valuations.

The pound was firmer against other major currencies following the release of stronger-than-expected British retail sales data for August, dealers said. The pound was quoted at $1.6013, up from $1.5955.

Against other currencies, the dollar rose to 5.9510 French francs from 5.9435 francs and to 1.4615 Swiss francs from 1.4505 francs. *(AFP, Bloomberg, Reuters)*

Oracle's Drop Leaves Wall Street Mixed

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks were mixed Wednesday as unexpectedly weak sales at Oracle drove down technology issues. Citicorp and other banks gained on optimism that falling interest rates will lift their profit margins.

The Dow Jones industrial average closed down 9.48 points, at 7,886.44, a day after soaring 174.78, its fourth-biggest point gain ever.

Boeing gained after saying it might turn the McDonnell Douglas MD-95 into a regional jetliner, one of the fastest-growing segments in air travel.

Lower bond yields bolstered the market. "So long as the bond market stays strong, stocks will continue to do well," said Ed Haldeman, a money manager at Cooke & Bieler in Philadelphia. "The economic underpinnings are strong, and as long as that continues, I think we'll continue on this up phase."

U.S. STOCKS

The benchmark 30-year Treasury bond rose 12/32 to 99 23/32, lowering its yield to 6.39 percent from 6.40 percent and extending the rally of Tuesday, the strongest for bonds since May 1994. A government report released before the start of stock trading showed an unexpected drop in new-home building, reinforcing expectations of slow inflation.

The Standard & Poor's 500 index finished down 2.65 points, at 942.99, and the Nasdaq composite index fell 2.08 points, to 1,666.48.

Banks gained on the prospect that falling borrowing costs will spur loan demand. Citicorp and Chase Manhattan both rose.

Oracle's fell 3⅜ to 36 3/16 came even though the software company met forecasts with its Tuesday profit report, but growth of data base sales was weaker than expected. *(Bloomberg, AP)*

Very briefly:

European Rival Buys U.S. Job Firm

LAUSANNE, Switzerland — Adecco SA said Wednesday that it was buying TAD Resources International, a privately owned U.S. temporary employment agency, for $387.5 million cash, in a bid to take on Manpower Inc. on its home ground.

Adecco said TAD Resources had sales of about $1 billion in 1996. The purchase of the Massachusetts-based company will be completed next month, Adecco said.

Adecco was created last year when Adia SA of Switzerland and Ecco SA of France merged.

UPS, in Shift, Hiring New Workers

ATLANTA (AP) — So many part-timers quit United Parcel Service of America Inc. during the two-week Teamsters strike that the company has dropped its layoff plans and said it was instead hiring workers.

Still, the shipping company said it has lost about 6 percent of its prestrike volume because mid-size businesses signed up with competitors during the strike.

- **Goldman, Sachs & Co.** agreed to sell a portfolio of 44 properties to the real estate investment trust **Spieker Properties Inc.** for $725 million. The properties are located in California, Oregon, Washington, Colorado, Arizona and New Mexico.
- **Equity Office Properties Trust** said it had agreed to acquire twin 40-story towers that flank the north and south ends of the **Chicago Mercantile Exchange.**
- **US Airways Group Inc.** said that it had discussed extending an aircraft order deadline with **Airbus Industrie,** but that the European consortium was not interested in extending the deadline.
- **Warnaco Group Inc.** said it had agreed to buy **Designer Holdings Ltd.,** which makes Calvin Klein jeans, for $353.7 million in stock. *Bloomberg, Reuters*

INTERNATIONAL FUTURES

Sept. 17, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel	High	Low	Latest	Chge	Opint
Sep 97	265½	262¼	263½	+¼	2,123
Dec 97	265¾	262¼	263¾	+¼	189,979
Mar 98	274½	271	272½	unch.	57,049
May 98	278¼	276	277½	unch.	13,822
Jul 98	282	279¼	280¾	unch.	24,094
Sep 98	275½	273¾	274¼	+1	1,776
Dec 98	274	267	272¼	+1	14,676

Est. sales 41,000 Tue's sales 59,477
Tue's open int 303,694, up 436

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton	High	Low	Latest	Chge	Opint
Sep 97	275.30	271.00	274.70	+2.80	3,276
Oct 97	231.00	228.70	229.40	-0.10	23,247
Dec 97	213.00	210.10	210.40	-2.50	44,107
Jan 98	208.00	204.80	205.00	-3.00	11,302
Mar 98	202.00	199.00	199.30	-3.30	11,036
May 98	200.50	198.00	198.30	-2.40	9,194

Est. sales 21,000 Tue's sales 25,945
Tue's open int 108,475, off 1,180

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb	High	Low	Latest	Chge	Opint
Sep 97	23.80	23.36	23.80	+0.22	430
Oct 97	23.90	23.40	23.84	+0.18	16,587
Dec 97	24.30	23.76	24.22	+0.19	45,874
Jan 98	24.47	23.95	24.40	+0.20	13,942
Mar 98	24.70	24.25	24.65	+0.19	8,535
May 98	24.82	24.35	24.82	+0.22	3,495

Est. sales 30,000 Tue's sales 39,411
Tue's open int 93,707, up 3,417

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel	High	Low	Latest	Chge	Opint
Sep 97	815	779	801	+19	2,149
Nov 97	647½	640¼	644	-2¾	94,110
Jan 98	649	643	646¼	-2	22,788
Mar 98	654½	648	651¼	-3¼	9,599
May 98	659½	654	656¼	-3¼	7,109

Est. sales 42,000 Tue's sales 53,650
Tue's open int 146,983, off 1,221

WHEAT (CBOT) 5,000 bu minimum- cents per bushel	High	Low	Latest	Chge	Opint
Sep 97	361	354	361	+3	230
Dec 97	374½	368½	373¼	+1¼	61,573
Mar 98	388½	382½	387¾	+1	23,888
May 98	394	388½	393½	+1½	4,625

Est. sales 14,000 Tue's sales 18,363
Tue's open int 101,709, off 497

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Oct 97	68.57	68.22	68.35	+0.12	29,750
Dec 97	69.42	69.12	69.25	+0.02	31,542
Feb 98	72.10	71.80	72.02	+0.30	15,444
Jun 98	71.52	71.30	71.42	+0.17	6,467
Aug 98	71.15	70.95	71.02	+0.27	1,460
Oct 98	74.05	73.90	73.90	+0.10	45

Est. sales 11,836 Tue's sales 25,017
Tue's open int 93,868, off 1,053

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Sep 97	80.75	80.57	80.60	-0.10	2,243
Oct 97	81.20	80.75	80.90	unch.	7,558
Nov 97	81.82	81.45	81.57	+0.07	3,850
Jan 98	82.60	82.15	82.50	+0.30	3,116
Mar 98	82.17	81.90	82.15	+0.20	1,722
Apr 98	82.25	81.90	82.25	+0.30	562

Est. sales 2,241 Tue's sales 4,408
Tue's open int 19,738, off 63

HOGS-Lean (CMER) 40,000 lbs- cents per lb.	High	Low	Latest	Chge	Opint
Oct 97	71.85	71.07	71.20	-0.52	14,137
Dec 97	67.80	67.15	67.22	-0.32	10,113
Feb 98	66.25	65.67	65.77	-0.40	3,738
Apr 98	63.00	62.50	62.55	-0.10	1,673
Jun 98	67.90	67.30	67.37	-0.20	947

Est. sales 7,090 Tue's sales 7,140
Tue's open int 31,745, off 466

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Feb 98	66.80	66.47	66.75	-1.42	4,530
Mar 98	68.70	66.40	66.52	-1.77	426
May 98	69.70	66.97	66.97	-1.17	88

Est. sales 2,003 Tue's sales 937
Tue's open int 5,102, up 33

Food

COCOA (NCSE) 10 metric tons- $ per ton	High	Low	Latest	Chge	Opint
Dec 97	1690	1656	1668	-31	41,112
Mar 98	1722	1695	1702	-30	28,868
May 98	1738	1723	1723	-27	12,575
Jul 98	1763	1744	1744	-26	3,028
Sep 98	1776	1762	1762	-26	4,699
Dec 98	1783	1779	1779	-26	6,546

Est. sales 8,626 Tue's sales 15,716
Tue's open int 106,491, off 1,238

COFFEE C (NCSE) 37,500 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Sep 97	194.00	189.00	194.00	+8.50	215
Dec 97	175.75	169.25	173.45	-5.75	13,481
Mar 98	161.50	156.25	160.50	+5.50	4,926
May 98	154.05	150.00	153.75	+5.70	1,792
Jul 98	147.35	144.00	147.00	+5.65	1,507

Est. sales 6,891 Tue's sales 7,432
Tue's open int 22,809, up 253

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Oct 97	11.33	11.25	11.31	+0.02	52,732
Mar 98	11.83	11.77	11.80	-0.01	88,450
May 98	11.88	11.82	11.86	-0.02	20,757
Jul 98	11.69	11.64	11.68	-0.01	15,508

Est. sales 19,464 Tue's sales 29,301
Tue's open int 191,917, off 8,346

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Nov 97	70.25	68.50	69.05	-0.35	18,555
Jan 98	72.75	71.60	71.95	-0.35	9,134
Mar 98	75.75	74.60	74.90	-0.40	5,872
May 98	78.50	77.50	77.75	-0.40	1,482

Est. sales N.A. Tue's sales 789
Tue's open int 36,070, up 506

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.	High	Low	Latest	Chge	Opint
Sep 97			320.40	-0.60	46
Oct 97	321.70	320.50	320.80	-0.60	11,813
Nov 97			321.30	-0.60	
Dec 97	324.20	321.60	322.20	-0.60	116,853
Feb 98	324.20	323.20	323.50	-0.60	15,421
Apr 98	326.00	324.50	325.10	-0.60	5,402
Jun 98	327.80	327.00	327.00	-0.60	8,494
Aug 98			329.10	-0.50	4,327
Oct 98			331.20	-0.40	350

Est. sales 22,000 Tue's sales 43,515
Tue's open int 205,520, up 2,266

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Sep 97	93.90	92.00	93.55	+0.15	3,087
Oct 97	94.10	92.35	93.90	+0.15	3,133
Nov 97	94.65	93.60	94.65	+0.20	1,758
Dec 97	95.50	93.30	95.00	+0.15	28,859
Jan 98			95.10	+0.05	937
Feb 98	95.20	94.80	95.20	-0.05	979
Mar 98	95.80	94.15	95.30	-0.15	4,425
Apr 98	95.20	94.75	95.20	-0.25	757
May 98	95.50	94.70	95.15	-0.40	2,170

Est. sales 10,000 Tue's sales 10,753
Tue's open int 53,135, up 1,901

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.	High	Low	Latest	Chge	Opint
Sep 97	459.00	455.00	456.10	-0.40	417
Oct 97			456.20	-1.00	78
Nov 97			459.60	-1.00	
Dec 97	464.00	457.00	460.50	-1.00	54,572
Jan 98			461.90	-1.10	22
Mar 98	470.50	464.00	466.90	-1.20	11,888
May 98			470.50	-1.60	3,218
Jul 98			474.20	-1.90	2,380

Est. sales 21,000 Tue's sales 28,768
Tue's open int 78,406, up 1,660

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.	High	Low	Latest	Chge	Opint
Oct 97	422.00	418.50	421.30	-0.20	9,274
Jan 98	413.00	409.00	411.30	-0.70	3,607
Apr 98	404.30	402.00	404.30	-0.70	614
Jul 98			400.30	-0.70	3

Est. sales N.A. Tue's sales 1,604
Tue's open int 13,498, up 85

LONDON METALS (LME) Dollars per metric ton	Close		Previous	
Aluminum (High Grade)				
Spot	1595½	1596½	1590½	1591½
Forward	1615.00	1615½	1608½	1609½
Copper Cathodes (High Grade)				
Spot	2035.00	2037.00	2042.00	2043.00
Forward	2066.00	2067.00	2072.00	2073.00
Lead				
Spot	612½	613½	631.00	632.00
Forward	623½	624½	641.00	641½
Nickel				
Spot	6360.00	6370.00	6315.00	6320.00
Forward	6460.00	6470.00	6415.00	6420.00
Tin				
Spot	5435.00	5445.00	5445.00	5455.00
Forward	5490.00	5500.00	5500.00	5510.00
Zinc (Special High Grade)				
Spot	1615.00	1620.00	1625.00	1630.00
Forward	1402.00	1404.00	1415.00	1416.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.	High	Low	Close	Chge	Opint
Dec 97	94.99	94.95	94.96	unch.	4,559
Mar 98	94.99	94.97	94.98	-0.01	1,894
Jun 98	94.89	94.89	94.89	unch.	

Est. sales 670 Tue's sales 567
Tue's open int 6,453, up 204

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct	High	Low	Close	Chge	Opint
Sep 97	107-59	107-41	107-49	+ 02	14,770
Dec 97	107-42	107-22	107-32	+ 04	225,966

Est. sales 68,000 Tue's sales 192,664
Tue's open int 240,736, up 200,621

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct	High	Low	Close	Chge	Opint
Sep 97	110-25	110-14	110-18	+ 03	23,154
Dec 97	110-17	110-03	110-09	+ 03	357,438
Mar 98	109-31	109-28	109-30	+ 02	12,107

Est. sales 133,133 Tue's sales 199,042
Tue's open int 392,699, up 11,864

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)	High	Low	Close	Chge	Opint
Sep 97	116-06	115-17	115-27	+ 06	45,080
Dec 97	115-27	115-05	115-16	+ 07	540,433
Mar 98	115-16	114-31	115-07	+ 07	36,400
Jun 98			114-27	+ 07	3,572

Est. sales 550,000 Tue's sales 870,274
Tue's open int 627,831, up 30,597

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct	High	Low	Close	Chge	Opint
Sep 97	117-20	116-14	117-21	+1-11	5,959
Dec 97	117-09	115-26	117-06	+1-12	167,897
Mar 98	N.T.	N.T.	116-31	+1-12	

Est. sales: 140,595. Prev. sales: 53,323
Prev. open int.: 173,856 off 2,305

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct	High	Low	Close	Chge	Opint
Dec 97	102.37	101.79	102.24	+0.46	258,647
Mar 98	N.T.	N.T.	101.53	+0.46	

Est. sales: 217,574. Prev. sales: 136,905
Prev. open int.: 259,509 up 2,946

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	99.68	99.44	99.56	+ 0.30	124,912
Mar 98	98.86	98.84	98.86	+ 0.34	528
Jun 98	98.56	98.56	98.56	+ 0.34	0

Est. sales: 114,929.
Open int.: 125,440 off 1,807.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	110.78	110.32	110.71	+0.28	111,794
Mar 98	110.50	110.50	110.61	+0.28	8

Est. sales: 58,313. Prev. sales: 65,408
Prev. open int.: 111,802 up 7,917

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.	High	Low	Latest	Chge	Opint
Oct 97	94.38	94.37	94.37	unch.	25,485
Nov 97	94.35	94.33	94.33	unch.	26,703
Dec 97	94.20	94.18	94.18	unch.	6,662

Est. sales 11,217 Tue's sales 12,748
Tue's open int 75,393, up 4,763

EURODOLLARS (CMER) $1 million-pts of 100 pct.	High	Low	Latest	Chge	Opint
Oct 97	94.27	94.25	94.26	unch.	24,612
Dec 97	94.21	94.18	94.19	unch.	590,720
Mar 98	94.16	94.12	94.14	+0.01	403,348
Jun 98	94.08	94.03	94.05	unch.	295,479
Sep 98	94.00	93.94	93.97	unch.	233,712
Dec 98	93.89	93.83	93.85	unch.	203,603
Mar 99	93.88	93.81	93.83	unch.	140,870
Jun 99	93.83	93.77	93.79	unch.	111,996
Sep 99	93.79	93.73	93.75	unch.	94,409
Dec 99	93.74	93.67	93.69	unch.	78,668
Mar 00	93.73	93.68	93.69	unch.	67,954
Jun 00	93.70	93.65	93.66	unch.	55,754

Est. sales 567,246 Tue's sales 711,901
Tue's open int 2,951,978, up 3,762

BRITISH POUND (CMER) 62,500 pounds, $ per pound	High	Low	Latest	Chge	Opint
Dec 97	1.5984	1.5918	1.5956	+0.0054	30,586
Mar 98	1.5920	1.5880	1.5898	+0.0052	228
Jun 98			1.5842	+0.0048	27

Est. sales 4,696 Tue's sales 5,742
Tue's open int 52,641, up 782

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr	High	Low	Latest	Chge	Opint
Dec 97	.7250	.7235	.7237	-0.0007	46,214
Mar 98	.7283	.7268	.7271	-0.0007	1,452
Jun 98			.7295	-0.0007	376

Est. sales 4,604 Tue's sales 14,565
Tue's open int 62,926, off 3,147

GERMAN MARK (CMER) 125,000 marks, $ per mark	High	Low	Latest	Chge	Opint
Dec 97	.5691	.5670	.5676	-0.0007	56,301
Mar 98	.5708	.5705	.5708	-0.0007	2,189
Jun 98			.5738	-0.0007	2,477

Est. sales 20,506 Tue's sales 30,654
Tue's open int 104,584, up 1,004

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen	High	Low	Latest	Chge	Opint
Dec 97	.8443	.8359	.8375	+0.0028	70,513
Mar 98	.8545	.8480	.8487	+0.0027	798
Jun 98			.8600	+0.0026	165

Est. sales 18,457 Tue's sales 14,560
Tue's open int 113,098, up 1,563

SWISS FRANC (CMER) 125,000 francs, $ per franc	High	Low	Latest	Chge	Opint
Dec 97	.6957	.6900	.6912	-0.0053	37,735
Mar 98	.6982	.6975	.6982	-0.0053	1,182
Jun 98			.7050	-0.0054	111

Est. sales 13,750 Tue's sales 15,659
Tue's open int 59,224, up 703

MEXICAN PESO (CMER) 500,000 pesos, $ per peso	High	Low	Latest	Chge	Opint
Dec 97	.12440	.12410	.12427	+.00071	23,797
Mar 98	.11980	.11960	.11972	+.00085	6,316
Jun 98	.11587	.11580	.11585	+0.00035	1,771

Est. sales 3,180 Tue's sales 1,726
Tue's open int 42,028, up 878

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct	High	Low	Latest	Chge	Opint
Sep 97	92.76	92.74	92.75	+0.01	93,420
Dec 97	92.74	92.69	92.73	+0.04	138,390
Mar 98	92.80	92.69	92.78	+0.09	109,947
Jun 98	92.90	92.73	92.88	+0.15	73,008
Sep 98	93.00	92.80	92.99	+0.19	61,917
Dec 98	93.07	92.89	93.07	+0.20	57,396
Mar 99	93.15	92.97	93.15	+0.21	50,382

Est. sales: 226,696. Prev. sales: 80,256
Prev. open int.: 690,294 up 550

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct	High	Low	Latest	Chge	Opint
Oct 97	96.60	96.59	96.60	+0.01	3,851
Nov 97	N.T.	N.T.	96.54	+0.01	350
Dec 97	96.44	96.41	96.43	Unch.	301,477
Mar 98	96.24	96.20	96.23	Unch.	297,178
Jun 98	96.01	95.96	96.00	Unch.	245,458
Sep 98	95.83	95.78	95.81	-0.01	165,863
Dec 98	95.63	95.57	95.61	+0.01	161,242
Mar 99	95.47	95.42	95.46	+0.02	141,702
Jun 99	95.32	95.27	95.31	+0.03	73,860
Sep 99	95.16	95.11	95.16	+0.05	57,151

Est. sales: 267,125. Prev. sales: 512,201
Prev. open int.: 1,744,356 up 72,077

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	96.45	96.41	96.42	— 0.01	39,697
Mar 98	96.25	96.20	96.22	Unch.	30,532
Jun 98	96.05	96.01	96.02	Unch.	25,499
Sep 98	95.86	95.83	95.84	Unch.	24,087
Dec 98	95.71	95.67	95.69	+ 0.01	27,640

Est. sales: 55,007.
Open int.: 205,263 off 2,455.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	93.83	93.75	93.82	+0.06	100,267
Mar 98	94.48	94.37	94.47	+0.11	72,697
Jun 98	94.96	94.83	94.93	+0.09	68,363
Sep 98	95.14	94.98	95.08	+0.04	43,491
Dec 98	95.15	94.99	95.09	+0.01	33,493
Mar 99	95.03	94.89	94.98	+0.02	18,989

Est. sales: 173,469. Prev. sales: 177,440
Prev. open int.: 420,754 up 12,523

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Oct 97	73.52	72.81	73.43	+0.13	4,708
Dec 97	73.68	73.00	73.54	-0.03	47,712
Mar 98	74.75	74.20	74.65	-0.05	14,303
May 98	75.23	74.80	75.23	-0.05	6,042
Jul 98	75.80	75.40	75.75	-0.01	5,626

Est. sales N.A. Tue's sales 11,811
Tue's open int 86,344, off 232

HEATING OIL (NMER) 42,000 gal, cents per gal	High	Low	Latest	Chge	Opint
Oct 97	54.10	53.15	53.35	-0.50	35,645
Nov 97	55.20	54.25	54.43	-0.56	33,879
Dec 97	56.30	55.40	55.48	-0.54	24,577
Jan 98	56.90	56.23	56.23	-0.54	22,197
Feb 98	57.10	56.43	56.43	-0.54	12,680
Mar 98	56.60	55.98	55.98	-0.54	8,777
Apr 98	55.20	54.78	54.78	-0.54	4,313

Est. sales N.A. Tue's sales 52,142
Tue's open int 154,243, off 1,483

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.	High	Low	Latest	Chge	Opint
Oct 97	19.67	19.40	19.42	-0.19	68,153
Nov 97	19.79	19.53	19.56	-0.18	76,733
Dec 97	19.84	19.61	19.61	-0.18	58,340
Jan 98	19.83	19.65	19.65	-0.18	36,460
Feb 98	19.83	19.66	19.66	-0.18	16,534
Mar 98	19.87	19.67	19.67	-0.18	10,057

Est. sales N.A. Tue's sales 140,290
Tue's open int 415,859, up 4,021

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu	High	Low	Latest	Chge	Opint
Oct 97	2.710	2.665	2.683	-0.039	50,536
Nov 97	2.840	2.795	2.805	-0.034	38,605
Dec 97	2.942	2.900	2.913	-0.031	26,227
Jan 98	2.935	2.895	2.910	-0.028	24,366
Feb 98	2.675	2.645	2.660	-0.020	14,130
Mar 98	2.410	2.390	2.400	-0.010	10,815

Est. sales N.A. Tue's sales 42,052
Tue's open int 240,940, off 1,909

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal	High	Low	Latest	Chge	Opint
Oct 97	59.30	58.05	58.45	-0.59	31,145
Nov 97	57.00	56.40	56.54	-0.36	27,215
Dec 97	56.40	55.90	55.94	-0.36	15,415
Jan 98	56.30	55.94	55.94	-0.36	13,787
Feb 98	56.50	56.38	56.38	-0.36	4,220
Mar 98	57.03	57.00	57.03	-0.36	5,652
Apr 98			59.78	-0.36	3,412
May 98			59.68	-0.36	1,165

Est. sales N.A. Tue's sales 30,612
Tue's open int 105,234, up 2,362

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons	High	Low	Latest	Chge	Opint
Oct 97	167.25	165.75	166.25	+0.75	27,233
Nov 97	169.00	167.50	167.75	+1.00	14,509
Dec 97	171.00	169.50	169.75	+1.00	17,108
Jan 98	172.25	171.25	171.50	+0.75	12,374
Feb 98	172.75	172.00	172.25	+1.00	6,988
Mar 98	172.25	171.25	171.25	+1.25	4,835
Apr 98	170.25	169.75	169.75	+1.75	2,321

Est. sales: 10,454. Prev. sales: 17,590
Prev. open int.: 94,286 up 17

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels	High	Low	Latest	Chge	Opint
Oct 97	18.47	18.40	18.41	—0.17	76,769
Nov 97	18.78	18.54	18.54	—0.14	23,262
Dec 97	18.79	18.66	18.59	—0.17	19,872
Jan 98	18.79	18.66	18.59	—0.17	7,486
Feb 98	18.78	18.66	18.59	—0.17	3,842
Mar 98	18.69	18.63	18.54	—0.17	2,203

Est. sales: 26,000. Prev. sales: 37,879
Prev. open int.: 143,205 up 3,871

Stock Indexes

SP COMP INDEX (CMER) 500 x index	High	Low	Latest	Chge	Opint
Sep 97	951.00	941.60	945.00	-1.20	61,105
Dec 97	962.20	951.60	954.30	-1.70	167,013
Mar 98	971.00	964.00	964.00	-2.35	2,791

Est. sales N.A. Tue's sales 143,246
Tue's open int 231,740, up 6,989

FTSE 100 (LIFFE) £25 per index point	High	Low	Latest	Chge	Opint
Sep 97	5015.0	4874.0	5010.0	+99.0	38,558
Mar 98	5055.0	5055.0	5116.0	+99.0	1,820

Est. sales: 40,323. Prev. sales: 24,305
Prev. open int.: 80,865 off 2,257

CAC 40 (MATIF) FF200 per index point	High	Low	Latest	Chge	Opint
Sep 97	2985.0	2943.0	2948.0	— 1.00	39,560
Oct 97	2991.0	2951.5	2954.5	— 1.00	7,539
Nov 97	2988.5	2978.0	2962.0	— 1.00	3,277
Dec 97	3006.0	2969.0	2970.0	— 1.00	5,815
Mar 98	3018.0	3018.0	2993.0	— 1.00	10,703

Est. sales: 26,595.
Open int.: 78,300 up 3,109.

Commodity Indexes

	Close	Previous
Moody's	1,558.30	1,559.50
Reuters	1,904.70	1,908.90
D.J. Futures	147.53	147.32
CRB	240.61	241.09

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

AMEX

Wednesday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AMC pf	543	[illegible]	[illegible]	[illegible]	[illegible]
ARC	1653	[illegible]	[illegible]	[illegible]	[illegible]
ARIA Pa n	1095	[illegible]	[illegible]	[illegible]	[illegible]
ActGp s	199	[illegible]	[illegible]	[illegible]	[illegible]
AdesRsc	348	[illegible]	[illegible]	[illegible]	[illegible]
Aerosn	5252	[illegible]	[illegible]	[illegible]	[illegible]
AirXcl	358	[illegible]	[illegible]	[illegible]	[illegible]
AHeegan	1080	[illegible]	[illegible]	[illegible]	[illegible]
AlldRsh	467	[illegible]	[illegible]	[illegible]	[illegible]
Alpnsta	285	[illegible]	[illegible]	[illegible]	[illegible]
AmzBt	943	[illegible]	[illegible]	[illegible]	[illegible]
AExpl	143	[illegible]	[illegible]	[illegible]	[illegible]
AmerPop	485	[illegible]	[illegible]	[illegible]	[illegible]
AScIE	214	[illegible]	[illegible]	[illegible]	[illegible]
ATechC	3399	[illegible]	[illegible]	[illegible]	[illegible]
Arapax	297	[illegible]	[illegible]	[illegible]	[illegible]
Audec n	1725	[illegible]	[illegible]	[illegible]	[illegible]
Andrea	142	[illegible]	[illegible]	[illegible]	[illegible]
AngiNtg	163	[illegible]	[illegible]	[illegible]	[illegible]
AppleOrl a	210	[illegible]	[illegible]	[illegible]	[illegible]
AsperH	147	[illegible]	[illegible]	[illegible]	[illegible]
AstLvng s	208	[illegible]	[illegible]	[illegible]	[illegible]
Astrotc	148	[illegible]	[illegible]	[illegible]	[illegible]
AltTele	4213	[illegible]	[illegible]	[illegible]	[illegible]
Audvox	688	[illegible]	[illegible]	[illegible]	[illegible]
AuxirEl	698	[illegible]	[illegible]	[illegible]	[illegible]
Avitech	1198	[illegible]	[illegible]	[illegible]	[illegible]
Azco	1614	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BFX Hosp	136	[illegible]	[illegible]	[illegible]	[illegible]
Balchem	183	[illegible]	[illegible]	[illegible]	[illegible]
Baldw	242	[illegible]	[illegible]	[illegible]	[illegible]
Ballys s	152	[illegible]	[illegible]	[illegible]	[illegible]
BarrLab s	239	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	7328	[illegible]	[illegible]	[illegible]	[illegible]
BentPh	550	[illegible]	[illegible]	[illegible]	[illegible]
BentPh wt	328	[illegible]	[illegible]	[illegible]	[illegible]
BioCo	173	[illegible]	[illegible]	[illegible]	[illegible]
BlandT	324	[illegible]	[illegible]	[illegible]	[illegible]
Bogen wt	230	[illegible]	[illegible]	[illegible]	[illegible]
Bowmr	344	[illegible]	[illegible]	[illegible]	[illegible]
Bowne	745	[illegible]	[illegible]	[illegible]	[illegible]
Brandyw s	840	[illegible]	[illegible]	[illegible]	[illegible]
CE Frnk g	368	[illegible]	[illegible]	[illegible]	[illegible]
TollPd	925	[illegible]	[illegible]	[illegible]	[illegible]
TWA	6980	[illegible]	[illegible]	[illegible]	[illegible]
TransLx	142	[illegible]	[illegible]	[illegible]	[illegible]
TransMed	318	[illegible]	[illegible]	[illegible]	[illegible]
TriteTech	420	[illegible]	[illegible]	[illegible]	[illegible]
TubMex	10301	[illegible]	[illegible]	[illegible]	[illegible]
US Lig s	208	[illegible]	[illegible]	[illegible]	[illegible]
UTI Eng s	3745	[illegible]	[illegible]	[illegible]	[illegible]
Unifirst	302	[illegible]	[illegible]	[illegible]	[illegible]
Unitech	448	[illegible]	[illegible]	[illegible]	[illegible]
Unimar	734	[illegible]	[illegible]	[illegible]	[illegible]
UnitelVid	697	[illegible]	[illegible]	[illegible]	[illegible]
UFoodA	145	[illegible]	[illegible]	[illegible]	[illegible]
USBiosci	1042	[illegible]	[illegible]	[illegible]	[illegible]
US Cell	639	[illegible]	[illegible]	[illegible]	[illegible]
VKAdM2	367	[illegible]	[illegible]	[illegible]	[illegible]
Versar	330	[illegible]	[illegible]	[illegible]	[illegible]
Viacom	634	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	6705	[illegible]	[illegible]	[illegible]	[illegible]
Vicon	138	[illegible]	[illegible]	[illegible]	[illegible]
VisaG g	353	[illegible]	[illegible]	[illegible]	[illegible]
WRIT	988	[illegible]	[illegible]	[illegible]	[illegible]
Webcoind	773	[illegible]	[illegible]	[illegible]	[illegible]
WelGrd	312	[illegible]	[illegible]	[illegible]	[illegible]
WHX ET	153	[illegible]	[illegible]	[illegible]	[illegible]
WhstlRs	135	[illegible]	[illegible]	[illegible]	[illegible]
WirelessT	6956	[illegible]	[illegible]	[illegible]	[illegible]
WEBAstla	317	[illegible]	[illegible]	[illegible]	[illegible]
WEBCan	699	[illegible]	[illegible]	[illegible]	[illegible]
WEB HK	577	[illegible]	[illegible]	[illegible]	[illegible]
WEB Ita	173	[illegible]	[illegible]	[illegible]	[illegible]
WEB Jpn	422	[illegible]	[illegible]	[illegible]	[illegible]
WEB Mal	445	[illegible]	[illegible]	[illegible]	[illegible]
WEB Sing	238	[illegible]	[illegible]	[illegible]	[illegible]
WEB Swz	144	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	78343	[illegible]	[illegible]	[illegible]	[illegible]
CFX Cp	557	[illegible]	[illegible]	[illegible]	[illegible]
CablvsA	1051	[illegible]	[illegible]	[illegible]	[illegible]
Cablvs pf	2026	[illegible]	[illegible]	[illegible]	[illegible]
Cambior	338	[illegible]	[illegible]	[illegible]	[illegible]
Canon	186	[illegible]	[illegible]	[illegible]	[illegible]
CdnOcd g	1644	[illegible]	[illegible]	[illegible]	[illegible]
CanyonRS	389	[illegible]	[illegible]	[illegible]	[illegible]
CelSc wt	2489	[illegible]	[illegible]	[illegible]	[illegible]
Celbci	1491	[illegible]	[illegible]	[illegible]	[illegible]
CFCda g	250	[illegible]	[illegible]	[illegible]	[illegible]
ChadThr	170	[illegible]	[illegible]	[illegible]	[illegible]
Chief	214	[illegible]	[illegible]	[illegible]	[illegible]
Citadel	136	[illegible]	[illegible]	[illegible]	[illegible]
CognBio	171	[illegible]	[illegible]	[illegible]	[illegible]
CollLb	1771	[illegible]	[illegible]	[illegible]	[illegible]
Conforce	477	[illegible]	[illegible]	[illegible]	[illegible]
CncdAd	142	[illegible]	[illegible]	[illegible]	[illegible]
CardrAp	556	[illegible]	[illegible]	[illegible]	[illegible]
Complek	152	[illegible]	[illegible]	[illegible]	[illegible]
Cordld	156	[illegible]	[illegible]	[illegible]	[illegible]
Cross	700	[illegible]	[illegible]	[illegible]	[illegible]
CmCP B	165	[illegible]	[illegible]	[illegible]	[illegible]
ecCrwnL	283	[illegible]	[illegible]	[illegible]	[illegible]
CrystAm	136	[illegible]	[illegible]	[illegible]	[illegible]
Crystls gn	4621	[illegible]	[illegible]	[illegible]	[illegible]
CyanotH	243	[illegible]	[illegible]	[illegible]	[illegible]
Cycomm	294	[illegible]	[illegible]	[illegible]	[illegible]
DI Ind	21066	[illegible]	[illegible]	[illegible]	[illegible]
DRS Tech	357	[illegible]	[illegible]	[illegible]	[illegible]
DakotaM	427	[illegible]	[illegible]	[illegible]	[illegible]
Dataset	209	[illegible]	[illegible]	[illegible]	[illegible]
DaytonMn	757	[illegible]	[illegible]	[illegible]	[illegible]
DevnE	1141	[illegible]	[illegible]	[illegible]	[illegible]
DigiCT	435	[illegible]	[illegible]	[illegible]	[illegible]
DigPwr n	410	[illegible]	[illegible]	[illegible]	[illegible]
Diodes	234	[illegible]	[illegible]	[illegible]	[illegible]
DrmTc	137	[illegible]	[illegible]	[illegible]	[illegible]
ecETS Inf	203	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	2655	[illegible]	[illegible]	[illegible]	[illegible]
Edisto	482	[illegible]	[illegible]	[illegible]	[illegible]
ElPasoE	742	[illegible]	[illegible]	[illegible]	[illegible]
Elswth	171	[illegible]	[illegible]	[illegible]	[illegible]
Emedus	382	[illegible]	[illegible]	[illegible]	[illegible]
EnexR	1163	[illegible]	[illegible]	[illegible]	[illegible]
EnspCor	239	[illegible]	[illegible]	[illegible]	[illegible]
EnviTc	140	[illegible]	[illegible]	[illegible]	[illegible]
Envirodst	218	[illegible]	[illegible]	[illegible]	[illegible]
EnzoBi	375	[illegible]	[illegible]	[illegible]	[illegible]
Equsii	454	[illegible]	[illegible]	[illegible]	[illegible]
EstBc	5114	[illegible]	[illegible]	[illegible]	[illegible]
FarxTel	339	[illegible]	[illegible]	[illegible]	[illegible]
FemHlth	151	[illegible]	[illegible]	[illegible]	[illegible]
FlAust	174	[illegible]	[illegible]	[illegible]	[illegible]
FAusPr	4267	[illegible]	[illegible]	[illegible]	[illegible]
Flanign	231	[illegible]	[illegible]	[illegible]	[illegible]
FlaRck	134	[illegible]	[illegible]	[illegible]	[illegible]
ForstLb	384	[illegible]	[illegible]	[illegible]	[illegible]
FortNgR	474	[illegible]	[illegible]	[illegible]	[illegible]
Frisch	171	[illegible]	[illegible]	[illegible]	[illegible]
FreqEl	287	[illegible]	[illegible]	[illegible]	[illegible]
GA Fncl	160	[illegible]	[illegible]	[illegible]	[illegible]
GST Tele	742	[illegible]	[illegible]	[illegible]	[illegible]
GeneBr	310	[illegible]	[illegible]	[illegible]	[illegible]
Gorge	407	[illegible]	[illegible]	[illegible]	[illegible]
LXRBiot	564	[illegible]	[illegible]	[illegible]	[illegible]
LaBarg	191	[illegible]	[illegible]	[illegible]	[illegible]
Lancer s	139	[illegible]	[illegible]	[illegible]	[illegible]
MAI Sys	405	[illegible]	[illegible]	[illegible]	[illegible]
MSR	381	[illegible]	[illegible]	[illegible]	[illegible]
MagnHunt	186	[illegible]	[illegible]	[illegible]	[illegible]
MandC00 n	777	[illegible]	[illegible]	[illegible]	[illegible]
MazlePt	608	[illegible]	[illegible]	[illegible]	[illegible]
MaxamP wt	262	[illegible]	[illegible]	[illegible]	[illegible]
MedcR	249	[illegible]	[illegible]	[illegible]	[illegible]
Media	190	[illegible]	[illegible]	[illegible]	[illegible]
MediaLog	196	[illegible]	[illegible]	[illegible]	[illegible]
Medtx	138	[illegible]	[illegible]	[illegible]	[illegible]
MedRx	555	[illegible]	[illegible]	[illegible]	[illegible]
MLRas	290	[illegible]	[illegible]	[illegible]	[illegible]
MLE-u07 n	147	[illegible]	[illegible]	[illegible]	[illegible]
ML TTYld	296	[illegible]	[illegible]	[illegible]	[illegible]
Matsmvdo	2727	[illegible]	[illegible]	[illegible]	[illegible]
Metrom pf	518	[illegible]	[illegible]	[illegible]	[illegible]
MichAn	144	[illegible]	[illegible]	[illegible]	[illegible]
MidAtlRty	324	[illegible]	[illegible]	[illegible]	[illegible]
MidcstE n	134	[illegible]	[illegible]	[illegible]	[illegible]
Moore	384	[illegible]	[illegible]	[illegible]	[illegible]
NFC	601	[illegible]	[illegible]	[illegible]	[illegible]
NTNCom	707	[illegible]	[illegible]	[illegible]	[illegible]
NVR	337	[illegible]	[illegible]	[illegible]	[illegible]
Nabors	8729	[illegible]	[illegible]	[illegible]	[illegible]
NatBev	404	[illegible]	[illegible]	[illegible]	[illegible]
NtPatnt	253	[illegible]	[illegible]	[illegible]	[illegible]
NY Times	1979	[illegible]	[illegible]	[illegible]	[illegible]
Nastel00 n	406	[illegible]	[illegible]	[illegible]	[illegible]
NA Vacc	204	[illegible]	[illegible]	[illegible]	[illegible]
Navarre	392	[illegible]	[illegible]	[illegible]	[illegible]
Nelor n	311	[illegible]	[illegible]	[illegible]	[illegible]
OmniMed	288	[illegible]	[illegible]	[illegible]	[illegible]
Oncor	334	[illegible]	[illegible]	[illegible]	[illegible]
Oncormd	252	[illegible]	[illegible]	[illegible]	[illegible]
Organgn s	7399	[illegible]	[illegible]	[illegible]	[illegible]
OxfdTE n	220	[illegible]	[illegible]	[illegible]	[illegible]
PC Quote	202	[illegible]	[illegible]	[illegible]	[illegible]
PGECap pf	173	[illegible]	[illegible]	[illegible]	[illegible]
PLC Sys	2228	[illegible]	[illegible]	[illegible]	[illegible]
PMC CT	149	[illegible]	[illegible]	[illegible]	[illegible]
PacPharm	421	[illegible]	[illegible]	[illegible]	[illegible]
PanAmC n	782	[illegible]	[illegible]	[illegible]	[illegible]
PaxsnC	943	[illegible]	[illegible]	[illegible]	[illegible]
PegGld	1672	[illegible]	[illegible]	[illegible]	[illegible]
PeopleTel	268	[illegible]	[illegible]	[illegible]	[illegible]
Pinnacle	1181	[illegible]	[illegible]	[illegible]	[illegible]
Phonetel	665	[illegible]	[illegible]	[illegible]	[illegible]
PicoPd	192	[illegible]	[illegible]	[illegible]	[illegible]
PigRsc	168	[illegible]	[illegible]	[illegible]	[illegible]
Polymed	501	[illegible]	[illegible]	[illegible]	[illegible]
Polyph	425	[illegible]	[illegible]	[illegible]	[illegible]
PortGn	197	[illegible]	[illegible]	[illegible]	[illegible]
PresRs s	524	[illegible]	[illegible]	[illegible]	[illegible]
PrpdLg	1015	[illegible]	[illegible]	[illegible]	[illegible]
PrCall	1675	[illegible]	[illegible]	[illegible]	[illegible]
Prism s	184	[illegible]	[illegible]	[illegible]	[illegible]
ProActiv	134	[illegible]	[illegible]	[illegible]	[illegible]
ProdCT s	135	[illegible]	[illegible]	[illegible]	[illegible]
PsyCo	202	[illegible]	[illegible]	[illegible]	[illegible]
RF Pow	927	[illegible]	[illegible]	[illegible]	[illegible]
RaucoE s	146	[illegible]	[illegible]	[illegible]	[illegible]
RexGold	418	[illegible]	[illegible]	[illegible]	[illegible]

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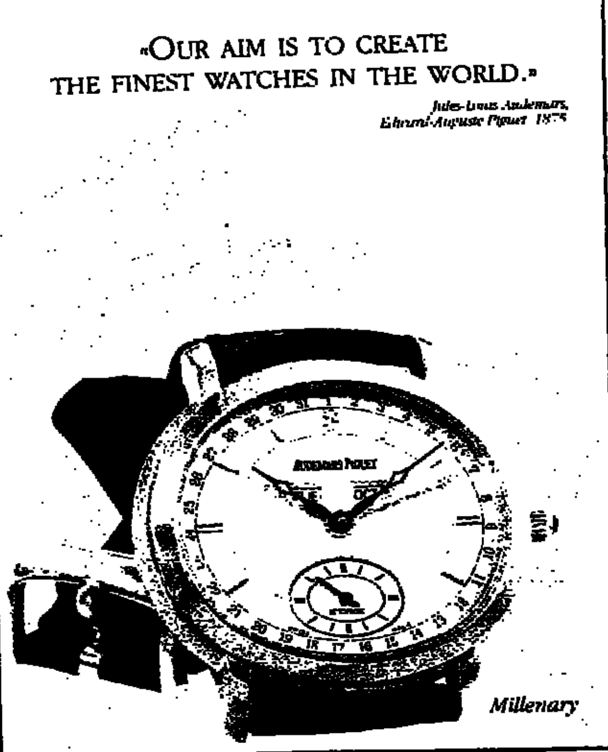
«OUR AIM IS TO CREATE THE FINEST WATCHES IN THE WORLD.»
Jules-Louis Audemars, Edward-Auguste Piguet 1875



Available at: Asprey, Garrard, Kutchinsky, Mappin & Webb (Heathrow Terminal 1 & 4), Watches of Switzerland, Harrods Watch Department, The Watch Gallery, Watches of Switzerland Ltd Jersey and Guernsey, Mappin & Webb Wolverhampton, Leeds and Newcastle, Edinburgh, Hamilton & Inches

Further information from Audemars Piguet (UK), 21 Grosvenor Street, London W1X 9FE. Facsimile 0171 [illegible]. Internet: http://www.audemarspiguet.com

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7926.99	7931.50	7862.25	7886.44	-9.48
Trans	3132.37	3146.51	3121.96	3134.56	+12.43
Util	243.11	243.23	240.10	240.37	-2.55
Comp	2532.10	2534.09	2516.89	2521.38	-2.45

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	1109.06	1077.33	1106.40	1102.12
Transp.	695.32	678.86	694.33	695.88
Utilities	207.96	204.94	207.93	205.99
Finance	111.15	107.07	111.00	111.36
SP 500	947.66	919.77	945.64	942.99
SP 100	914.14	888.25	911.66	910.70

NYSE

	High	Low	Last	Chg.
Composite	496.00	492.58	493.21	-0.48
Industrials	625.34	620.39	621.41	-0.99
Transp.	461.08	458.48	459.47	+0.92
Utility	295.25	292.74	292.74	-1.85
Finance	467.23	464.36	466.01	+1.65

Nasdaq

	High	Low	Last	Chg.
Composite	1675.26	1663.95	1666.48	-2.12
Industrials	1353.32	1347.56	1351.22	+3.46
Banks	1851.86	1837.06	1849.92	+13.11
Insurance	1804.73	1792.10	1799.87	+4.96
Finance	2197.03	2180.45	2193.26	+11.88
Transp.	1074.01	1066.86	1071.49	-1.95

AMEX

	High	Low	Last	Chg.
	683.05	680.05	683.01	+2.96

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.03	104.12
10 Utilities	101.69	101.94
10 Industrials	106.36	106.30

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	146778	75 9/16	69¾	73⅝	+4⅝
AHome	110083	72	68⅝	69 7/16	-4⅜
RoylDut s	72302	55⅝	54	54	-1⅛
PhilMor s	68400	42 9/16	41 1/16	41¼	-⅜
GenElec s	62458	70⅜	68⅝	69¼	+1⅛
AT&T s	59872	44⅞	43⅝	43⅞	-1⅛
ColHCA s	56116	27⅝	27	27¼	+⅛
EKodak	54078	57⅛	55¾	56⅛	-⅞
ThrmoE wi	52353	30⅛	28⅜	29⅛	[illegible]
MicrnT	48963	41 9/16	39	39⅝	-1⅝
Corningin	43177	44¼	42⅞	44½	+1⅛
Boeing s	41628	53⅞	52⅜	53⅜	+1⅛
Motorola	39648	69	66	69⅜	-2⅛
WDigit s	39058	49	45½	48 9/16	+3⅜
Lucent	37162	80½	78⅝	78¾	+1⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Oracle s	237725	37¾	36	36 3/16	-3⅜
Ascend	179821	35⅜	34¼	34½	[illegible]
Intel s	159975	97⅛	95	96¾	+1⅝
DellCpt s	106413	97⅞	93⅜	96¾	+4⅜
3Com	96638	48½	46⅜	46⅞	[illegible]
Intemeur	71046	[illegible]	[illegible]	[illegible]	[illegible]
DSC	66512	[illegible]	[illegible]	[illegible]	[illegible]
Cisco	65477	75⅜	73⅝	74⅛	[illegible]
Microsft s	63655	136¼	133⅞	133⅞	[illegible]
PagingN	54412	12⅝	12	12⅛	[illegible]
ForeSys	53796	20⅝	19⅝	20⅛	[illegible]
AirTech	48883	3⅜	3¼	3⅜	[illegible]
PetsMart	47792	10⅝	9⅞	10¼	[illegible]
StgeStrs n	45044	38⅝	35½	37⅞	+3
ApldMat	43865	100⅜	97⅞	99⅜	+1⅝

AMEX

	Vol.	High	Low	Last	Chg.
XCL Ltd	78343	⅜	¼	⅜	[illegible]
SPDR	21563	95⅛	94⅛	94 9/16	[illegible]
DI Ind	21066	8⅛	7⅝	7¾	[illegible]
IvaxCp	18512	10⅝	9⅝	10⅛	[illegible]
TubMex	10301	24⅜	23⅛	23⅞	[illegible]
Nabors	8729	40⅝	39⅝	39 15/16	[illegible]
Organgn s	7399	29⅝	24⅛	29⅛	+4
BemaGold	7328	3⅝	3⅜	3⅝	[illegible]
TWA	6980	8⅛	8	8⅛	[illegible]
WirelessT	6956	11⅝	9⅛	9⅝	-1⅝

Trading Activity

NYSE

	Close	Prev.
Advanced	1458	2225
Declined	1392	753
Unchanged	557	425
Total issues	3407	3403
New Highs	428	412
New Lows	19	15

Nasdaq

	Noon	Prev.
Advanced	1689	2444
Declined	1617	1793
Unchanged	2068	1487
Total issues	5374	5724
New Highs	225	391
New Lows	46	54

AMEX

	Close	Prev.
Advanced	304	365
Declined	275	226
Unchanged	181	165
Total issues	760	756
New Highs	71	73
New Lows	13	6

Market Sales

	Today 4:00	Prev. cons.
NYSE	592.41	772.11
Amex	31.63	46.40
Nasdaq	712.22	745.33

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Dynex Ltd	-	.345	9-30	10-31
Shandong Huan	-	.1203	9-25	10-16
Temple Emrg	-	.31	9-30	10-15
STOCK SPLIT				
AFC Cable 5 for 4 split.				
DBT Online 2 for 1 split.				
STOCK				
United Ntl Bncp	-	6%	10-15	11-3
INCREASED				
Angeles Mtg	Q	.30	10-14	11-5
Butler Mfg	Q	.14	9-26	10-10
Sceptre Inv A g	Q	.22	9-26	10-15
Trilon Fincl A g	Q	.10	12-12	12-31
Wabash Natl	Q	.035	10-14	10-28
REDUCED				
Strategic Glbl Inco	M	.0895	9-25	9-30
INITIAL				
Am Stores n	-	.09	9-26	10-8
REGULAR				
ABM Indust	Q	.10	10-15	11-5
Apco Argentina	Q	.1625	10-3	10-17
Arden Realty	Q	.40	9-30	10-31
Asset Investors	Q	.06	9-18	9-30
CIM Hi Yld Secs	M	.06	9-26	10-6
Cohen Steer Rlty	Q	.17	9-22	10-13
Commwlth Bncp	Q	.07	9-26	10-10
Donaldson Lufkin	Q	.125	10-17	10-31
Dreyers Grand Ice	Q	.06	9-26	10-7
Fidelity Ntl Fin	Q	.07	9-26	10-10
Fst Commwlth Fin	Q	.20	9-30	10-15
Fst Palm Beach	Q	.15	9-26	10-10
Frankfort Fst Bn	Q	.09	9-30	10-15
Glbl Hi Inco Dlr	M	.106	9-25	9-30
HCC Insur	Q	.03	10-1	10-13
Haskel Intl A	Q	.07	9-29	10-8
Highlander Inco	M	.094	10-3	10-29
Mentor Corp	Q	.025	9-26	10-17
Merit Holding	-	.04	9-20	10-15
Minn Muni Inco Pt	M	.063	10-3	10-29
Mylan Labs	Q	.04	9-30	10-15
Nutrition for Life	Q	.02	9-30	10-10
Parkvale Fincl	Q	.13	10-15	10-24
Peoples Holding	Q	.22	9-22	10-1
Pulitzer Publish	Q	.13	10-10	11-1
Templton Glb Gv	M	.05	9-30	10-15
United Ntl Bncp	Q	.15	10-15	11-3
Valley Resources	Q	.185	9-30	10-15

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

ASIA/PACIFIC

Thai Bank Allows Foreigners to Buy 45% Stake

By Thomas Crampton
International Herald Tribune

BANGKOK — A private Thai bank, moving to shore up shaky finances, announced on Wednesday a capital increase that gives a 45 percent share to foreigners and reduces the family that owned it to a minority shareholder.

The move by Laem Thong Bank Ltd. marked the first time that foreign investors have been allowed to own more than 25 percent of a Thai bank, and was therefore a sort of test case for rescuing Thailand's troubled banking sector, analysts said.

More broadly, they said the move might herald the kind of changes that are expected to sweep through Asia's troubled financial world, as foreign investors are allowed increased ownership of local banks and other financial institutions in exchange for capital.

The move came as the rating agency Standard & Poor's Corp. said it had downgraded seven Thai financial institutions amid the country's ongoing economic downturn.

Gurdist Chansrichawla, whose older brother managed a hostile takeover of Laem Thong in 1987, said he would step down as chief executive and president to "show good corporate governance." Independent directors will be brought in.

Appointed president at age 28, when his family bought the bank, Mr. Gurdist said the rising levels of nonperforming loans had precipitated the capital increase, although expansion had always been part of the bank's strategy.

Laem Thong is the smallest of Thailand's 15 commercial banks but the first to increase its capital since the Bank of Thailand eased the 25 percent restriction on foreign ownership in late June.

The recapitalization may herald changes throughout the banking world in Asia.

"The foreign equity coming into the Laem Thong deal is reflective of what is going to happen in banking systems throughout Asia," said David Hendrix, executive vice president of Bank of Asia.

"Foreign ownership of heretofore family-owned businesses, not just banks, is something we'll see more often."

Banks across Asia are currently weighed down with poor-quality assets thanks to overly friendly relations between borrowers as well as excess lending for real estate development and consumer credit, a recent World Bank report said.

Calling for reform, the report estimated that nonperforming loans in the region, including Japan, could reach $660 billion.

In Thailand, which is suffering a severe economic slowdown and whose currency is plummeting, nonperforming loans will reach at least as high as 15 percent of total loans, Standard & Poor's said Wednesday as it downgraded the seven Thai financial institutions.

Smaller banks have also been hit by depositors fleeing to foreign and large domestic banks. Since June, Laem Thong's deposits have dropped by more than 7 billion baht ($198.3 million) to 27 billion baht, with the majority withdrawn during 10 days in July, Mr. Gurdist said.

Mr. Gurdist, whose family's stake in the bank was slashed from 70 percent to 30 percent by the recapitalization, said the decision to seek outside equity was emotionally difficult but unavoidable.

"We haven't lost the bank, we are allowing it to grow along its natural course," he said, adding that all the investors were family friends of long standing.

The Sheikh Ahmad al-Sabah Group of Kuwait and Sofaer Capital Inc. of Britain will each buy a 20 percent stake for 1 billion baht, while United Communications Industry PLC of Thailand and affiliated companies will buy a 10 percent stake for 500 million baht, Mr. Gurdist said.

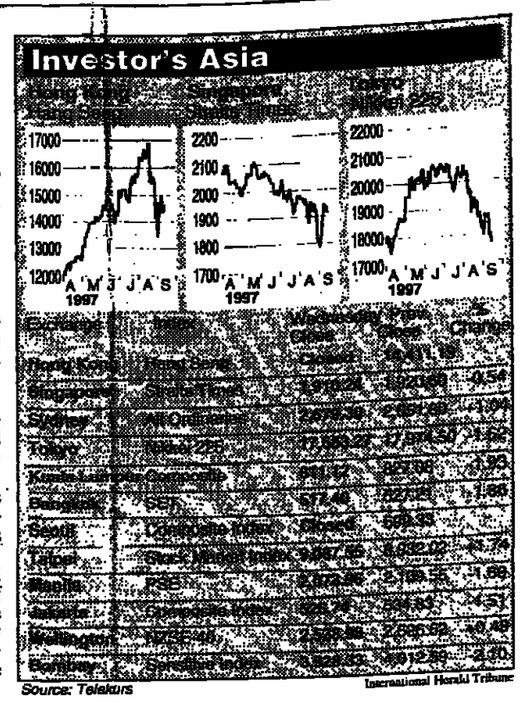
The bank's recapitalization will raise shareholders' equity to 6.86 billion baht from 3.93 billion baht and increase its share capital to 5 billion baht from 2.5 billion baht.

Bank shares rose 0.5 baht to 15.5.

Family holdings range from finance to insurance companies, but Mr. Gurdist said about 90 percent of the family assets are now in land.

Under Mr. Gurdist's direction, the bank has moved from wholesale credit into retail banking, expanding its network to 51 branches from 19 in the last two years.

Mr. Gurdist said in an interview that Thai banks had put far too much faith in the value of customers' assets. "It is tough when you have a longtime reliable customer, in the jewelry trade, for example, who wants to borrow money to build a condominium, something he knows nothing about," he said.



Debt Mires EYCO

Peso at Low as Firm Seeks Aid

Bloomberg News

MANILA — As the Philippine peso touched a record low against the dollar Wednesday, EYCO Group asked Philippine regulators for protection from creditors in the first of what could be a wave of defaults triggered by the currency's collapse.

EYCO, whose main business is making fans and other appliances, said it owed 2.08 billion pesos ($64.3 million) to some of the country's biggest banks. It ran into trouble by expanding into property development, heightening concern that the Philippines is headed for the kind of real-estate meltdown that crippled Thai lenders with bad debts.

"The bubble is bursting," said Raphael Manalaysay, director of SocGen-Crosby UBP Securities Inc. "The asset-inflation-driven growth that we've experienced over the past three years is coming to an end."

EYCO's stumble, two months after the peso's devaluation, suggests that rising borrowing costs will leave banks with more bad debts. It also will not help the Manila stock market's benchmark index recover from a 48-percent slide in dollar terms so far this year.

EYCO itself blamed the glut in the property market, which has resulted in the bubble economy, as well as skyrocketing interest rates that accompanied the peso's tumble, for its woes.

"There will be more of these coming out," said Andrew Long, the research head of Philippine TA Securities Inc. "When you have 50 percent loan growth, some of them have got to turn bad."

EYCO sought protection from the Securities & Exchange Commission, which would give it immunity from suits as it reorganizes. The group said it has enough assets to cover its liabilities and will be able to repay them if it's given "the necessary breathing space."

Analysts said what's troubling is EYCO's admission that it shuffled money between its 11 companies. That suggests loans to property projects are being underreported, and would undermine the central bank's argument that real estate lending hasn't been excessive.

The dollar rose Wednesday to 32.50 pesos from 32.35 on Tuesday but reached as high as 33.25 pesos in Manila trading. Its previous high was 32.36 pesos. Since the central bank allowed the peso to trade in a wider range July 11, it has fallen 15 percent.

President Fidel Ramos blamed the attack on the peso on its "enemies, including global speculators."

Very briefly:

• **Malaysia** will discourage citizens from vacationing abroad in an effort to reduce the country's current-account deficit. Culture, Arts and Tourism Minister Sabbaruddin Chik said. He said the government would place no restrictions on those planning trip abroad but would promote domestic tourism.

• **Nepalese** ready-made garments will be allowed duty-free entry into the **European Union** under the Generalized System of Preference, Nepalese officials said.

• **Daewoo Corp.** signed an agreement to invest $1.28 billion in a joint venture with **Avtozaz**, an Ukrainian carmaker, expanding the South Korean company's auto manufacturing base in Eastern Europe. The venture is expected to produce 230,000 cars annually, including updated versions of the Ukrainian Tavria, General Motors Corp.'s Opel Vectra models and 125,000 Daewoo cars.

• **Rio Tinto PLC**, the world's largest mining company, said it would move ahead with the $515 million development of the Yandicoogina iron ore mine in Western Australia state after settling a dispute with local aboriginal groups.

• **Lee Shu-joe**, chairman of Tawian's state-owned oil monopoly, **Chinese Petroleum Corp.**, resigned after assuming responsibility for a gas explosion that killed five people and injured 23 last Saturday.

• **European Union** finance ministers plan to press the governments of 10 Asian countries to submit market-opening proposals in upcoming global financial-services talks, calling open markets the best way to prevent turbulence in currency and stock markets.

Reuters, Bloomberg

Coms21 Signs Contract With Chinese Insurer

Reuters

SYDNEY — Coms21 Ltd., an Australian high-technology company, announced Wednesday a deal it said could be worth more than 1.5 billion Australian dollars ($1.08 billion) to make smart cards for China's largest life insurer and its 242 million policyholders.

The deal involves supplying cards and readers to Pacific's Insurance Co. of China.

"Selling smart cards and smart-card readers for those sorts of numbers will produce sales in excess of 1.5 billion dollars," said Frank Favretto, Coms21 executive chairman.

Coms21's shares closed up 4 cents, or more than 10 percent, at 42 cents.

In the first phase of the deal, Coms21 will provide 200,000 smart cards to PICC Life sales representatives and 15,000 desktop readers to the insurer's branches.

In the second phase, which is to start once the cards are delivered to PICC Life's staff, Coms21 will provide a smart card for each of the insurer's 242 million customers.

"Phase two is dependent on phase one progressing satisfactorily," Mr. Favretto said. "But this technology has been tried and proven by PICC."

Coms21 said it expected to start integrating its technology into PICC Life's computer network in October and complete delivery to PICC Life workers early next year.

The Coms21 smart card has microprocessor chips able to carry digitally recorded photographs, financial data and cash-balance information that can be read remotely through a portable smart-card reader. Policyholders would be able to pay premiums using the card.

Mr. Favretto said the deal, Coms21's third in China, could generate profits of more than 250 million dollars over seven to eight years.

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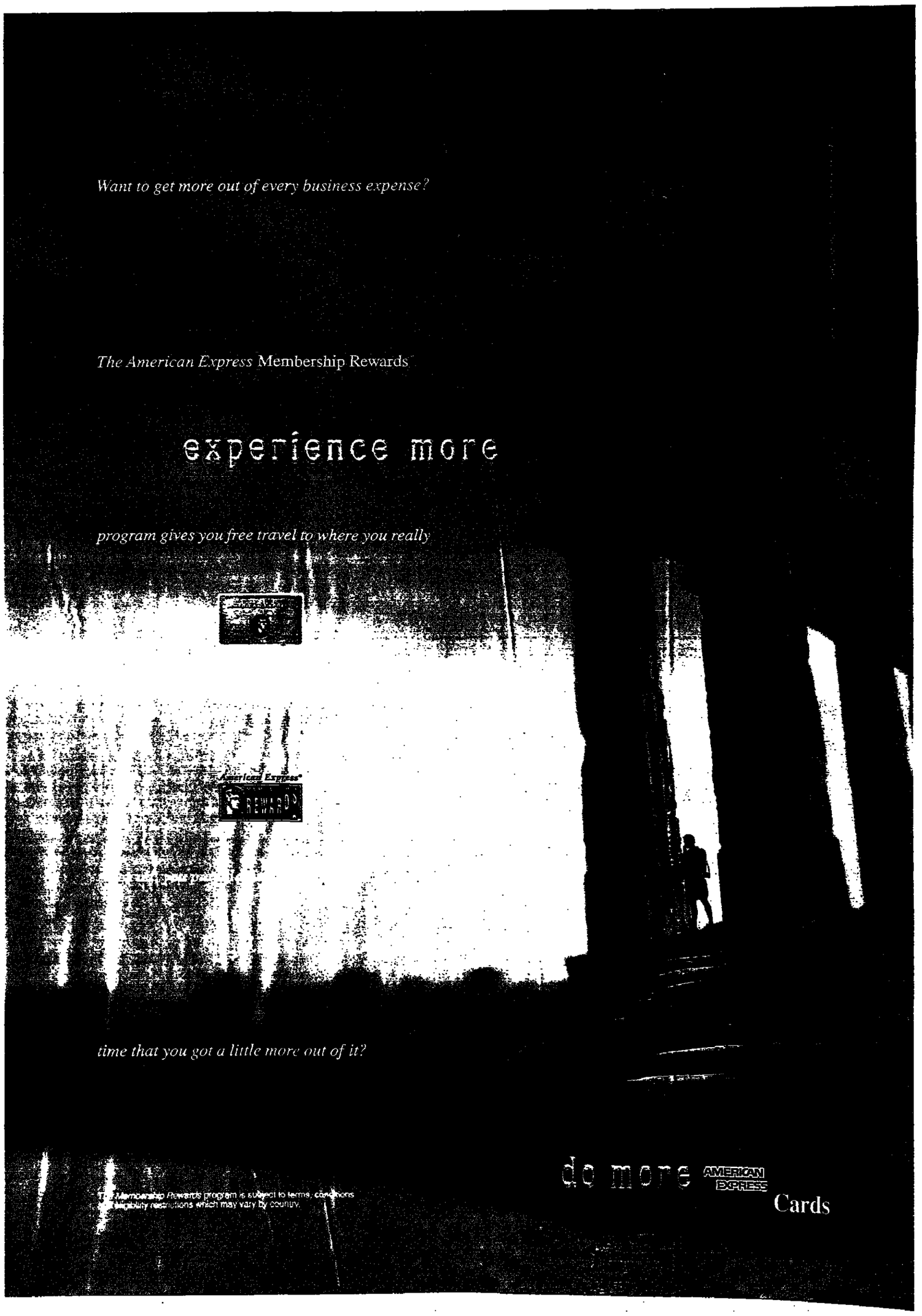
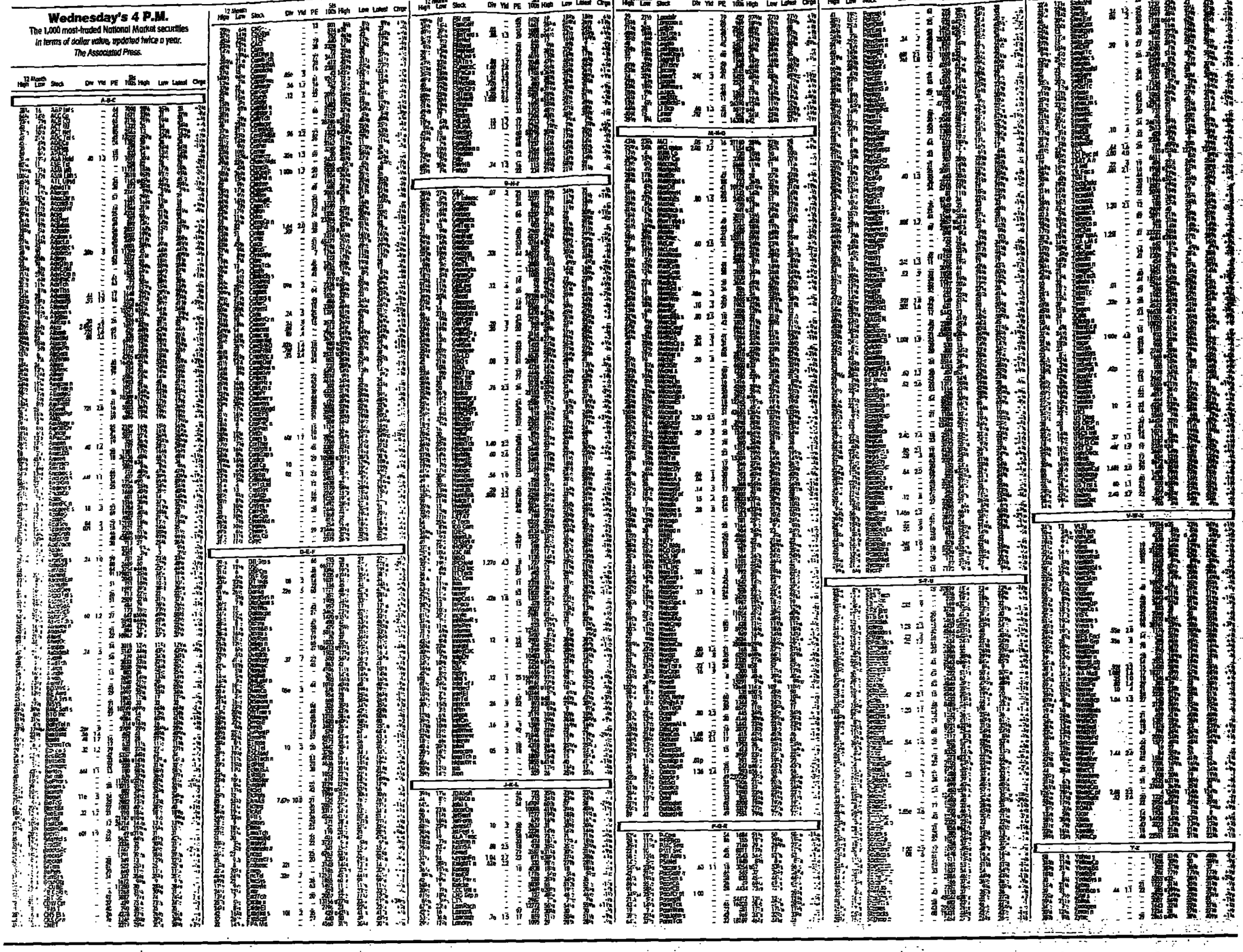


هكذا من الأصل

NASDAQ

Wednesday's 4 P.M.

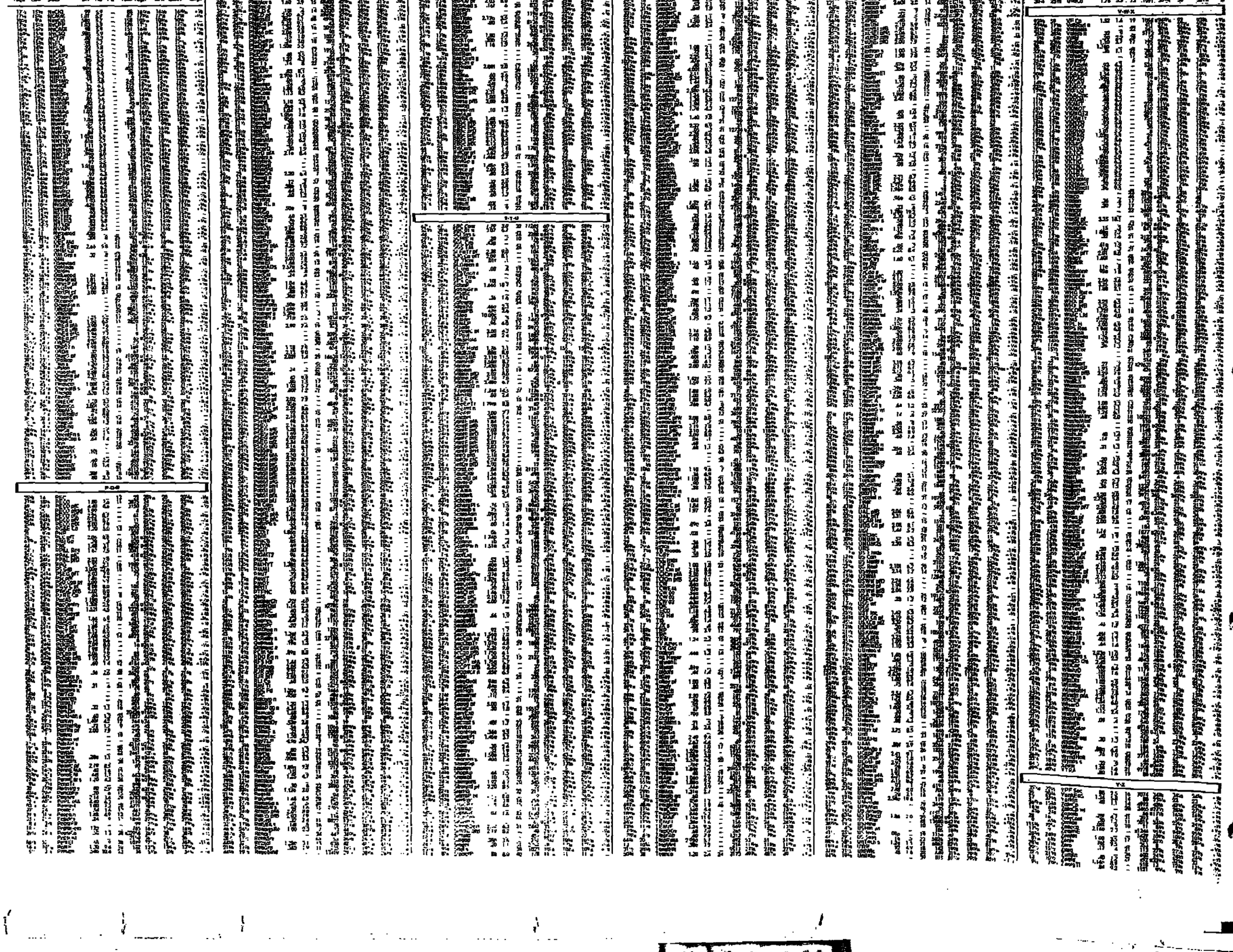
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.



NYSE

Wednesday's 4 P.M. Close

(Continued)



BRIEFLY

...ina Set to Begin ...ngtze Dam Work

...JING — China has begun preparations to block the ...tze River for construction of ...Three Gorges Dam and ...to keep a close track of ...earthquakes in the area, ...said Wednesday. ...construction crews will narrow ...on two cofferdams on ...longest river until the flow ...Nov. 8, paving the way for ...the ...-meter ...-foot ...dam, the Xinhua press agency ...(Reuters)

...vacuation Alert ...Indonesia Town

India Goes Ahead With Peace Talks

...Holds Meeting ...North Korea

EUROPE

South Africa Seeks to Polish Its Diamond Industry

By Suzanne Daley
New York Times Service

JOHANNESBURG — On a recent morning Wendell Littler, 21, was staring through a magnifying glass judging his polishing work on a tiny diamond, just six-hundredths of a carat — worth barely more than $30.

"It is almost finished now," he said, with a sigh. A week before, it had been considerably bigger and worth at least six times as much. *But he had tapped it* just a bit too hard against the polishing wheel and it had shattered.

The minuscule stone he now appraised was all that could be salvaged.

Another misjudgment and he would be asked to leave the Harry Oppenheimer Diamond Training School, named for the mining magnate.

Even the first slip was not taken lightly. "They were shouting all over the place," Mr. Littler said, glancing furtively down the row where his instructors were busy for the moment with other students.

Inside a building in central Johannesburg called the Diamond Center, which looks quite ordinary except for the men in suits with AK-47s outside, more than 40 students are bent over gleaming polishing wheels the size of record turntables, carefully, very carefully, trying to buff 57 perfect facets onto their diamonds. There isn't much talking.

While South Africa remains one of the world's largest diamond producers, it has never had much of a hold on the lucrative industries that follow mining — appraising, cutting, polishing and jewelry-making. Those jobs have gone places where labor is skilled or cheap or both.

But South Africa is hungry for jobs and, with the burden of international sanctions lifted in the post-apartheid era, it would like to bring home some of those paychecks. The school, officially opened last month, is a piece of the strategy, financed by industry donations and aided by tax incentives.

More than half of the students are on scholarships aimed at bringing more nonwhites into the business. Apartheid laws allowed blacks into the industry in 1976 because cheaper labor was needed. But few were able to become full-fledged tradesmen working on high-quality stones for higher salaries. They were allowed to do only the crudest, most repetitive grinding jobs.

"That's not what we want here," said Aubrey Hoskin, who oversees the school's polishing instructors. "We want our guys to be the best. They want it, too. You can feel it."

It can take students as much as two weeks to finish their first stone. Some will finish fewer than a dozen by the end of the six-month course. But in the real world, speed counts. In some factories, a worker may be expected to polish up to 30 diamonds a day.

How to bolster South Africa's cutting and polishing industry, which at its peak employed about 4,000 people but now employs 1,600, is a matter of some debate. The government has a commission investigating the issue.

India does most of the world's cutting and polishing. Cutters in village factories there may work 50 hours a week for $50 a month.

Israel, New York and Belgium were diamond-cutting centers but have been in decline. To compete, they are cutting bigger diamonds and relying more on sophisticated technology. South Africa needs to follow suit, experts say. Union officials want to see De Beers Corp. sell more of its big stones here. But De Beers executives object, citing market forces.

Russia Gem Firm Close to Deal With De Beers

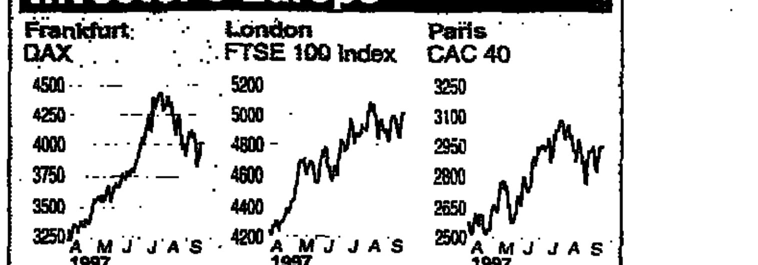
Compiled by Our Staff From Dispatches

MOSCOW — The Russian diamond monopoly, Almazy Rossii-Sakha, and De Beers Centenary AG of South Africa have started the latest round of talks in a long-delayed gem trade agreement, ARS said Wednesday.

Vyacheslav Shtyrov, the ARS president, said the trade agreement was ready for signing. "The signing of the agreement could take place as early as this month," he said.

Separately, South African gold mining companies signed a two-year wage deal with the National Union of Mineworkers that links pay rises to increases in output and productivity. *(Reuters, Bloomberg)*

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	898.11	882.10	+1.81
Brussels	BEL-20	2,379.84	2,375.43	+0.19
Frankfurt	DAX	4,010.48	3,898.95	+2.86
Copenhagen	Stock Market	610.29	605.47	+0.80
Helsinki	HEX General	3,424.86	3,383.81	+1.21
Oslo	OBX	694.70	692.91	+0.26
London	FTSE 100	5,013.10	4,976.40	+0.74
Madrid	Stock Exchange	601.46	600.53	+0.15
Milan	MIBTEL	14881	14876	+0.03
Paris	CAC 40	2,944.00	2,940.55	+0.12
Stockholm	SX 16	3,391.26	3,370.95	+0.60
Vienna	ATX	1,368.32	1,349.30	+1.41
Zurich	SPI	3,555.66	3,481.16	+2.14

Source: Telekurs — International Herald Tribune

Moscow Joins Creditor Group

Compiled by Our Staff From Dispatches

PARIS — Russia joined the Paris Club of creditor nations Wednesday, a move it said would bolster its finances by tripling the amount it gets from debtor countries.

Russia also said it would sign an agreement with the London Club of creditor banks Oct. 6 in Moscow on reorganizing $35 billion in commercial debt.

"Russia has settled its problem as a debtor," said First Deputy Prime Minister Anatoli Chubais said after he signed documents making Russia the 19th Paris Club member. "It's now settling its problem as a creditor."

By joining the Paris Club, Russia will be part of negotiations with developing countries that have defaulted on all or part of their debt.

Only a year ago, Moscow itself signed a debt reorganization.

Russia inherited the billions of dollars worth of debts owed both by and to the former Soviet Union when it collapsed in 1991 and the republics went separate ways. *(Bloomberg, Reuters)*

BG Begins $2.1 Billion Buyback of Its Shares

Bloomberg News

LONDON — BG PLC, Britain's biggest natural gas distributor, began a £1.3 billion ($2.07 billion) buyback of its stock Wednesday as the effects of a financial restructuring and stronger gas demand helped more than triple second-quarter operating profit.

The owner of the Transco pipelines, which formed in February when Britain broke up the old British Gas monopoly, also said it would take a £4.9 billion charge to reflect 21 percent lower pipeline tariffs that regulators have demanded. And it said it would pay a dividend of 8 pence a share this year, down from 14.5 pence a year ago under its old structure.

Together, the moves highlight the final steps in BG's financial rehabilitation after the breakup of British Gas.

The company said the moves would make it financially more efficient, with a higher dependence on debt financing than before, and smooth the way for quicker growth from overseas gas production projects.

BG shares finished down 11 pence at 258. Analysts attributed the decline to disappointment that the dividend was cut so much.

The charge was slightly less than the £5 billion BG had warned it would pay, and the dividend was slightly less than the 8.5 pence Societe Generale Strauss Turnbull had estimated would be paid. But the size of the buyback exceeded forecasts of about £1 billion, and Philip Hampton, finance director of BG, described it as the "maximum" that could be executed.

For the quarter, operating profit before tax, interest or special charges rose to £231 million from a pro-forma £66 million a year earlier.

Excluding a £514 million charge for the windfall tax, disclosed in July, profit was £169 million, or 3.8 pence a share, in the second quarter. BG did not give comparisons with the previous year.

Kingfisher Profit Rises

Kingfisher PLC said first-half net profit rose 47 percent, beating expectations, on strong sales growth and increased efficiency at its B&Q home-improvement and Comet electrical-goods chains, Bloomberg News reported.

The operator of five retail chains in Britain and Europe said net income for the six months ended Aug. 2 rose to £114.9 million, or 15.9 pence a share, from £78.3 million, or 11.8 pence a share.

Pechiney's Profit More Than Doubles

Compiled by Our Staff From Dispatches

PARIS — Pechiney SA, the world's fourth-largest aluminum producer, said Wednesday that first-half net profit more than doubled from the like period last year as it benefited from one-time gains and cost-cutting.

It also said it planned to restart by the end of 1998 all its aluminum production capacity that has been made idle under a producers' pact to cut output.

The company said the decision was based on prospects for strong world demand and a tight market situation toward the end of 1999. Three-month aluminum contracts fell by $4 a ton, to $1,604, on the London Metal Exchange as traders awaited a response from other producers.

But analysts said that the market had already factored in additional capacity, much of which should be absorbed by increases in demand.

Pechiney's net profit in the six months to June 30 was 1.03 billion francs ($172.8 million). That figure includes 560 million francs in gains from asset sales: 495 million francs from the sale of the group's stake in Carbone Lorraine and 65 million francs from the sale of its stake in Carbone Savoie.

Asset sales targeted for the second half of 1997 are unlikely to generate more than 100 million francs, Pechiney said.

The company predicted that full-year profit could exceed analysts' consensus forecast of 1.175 billion francs. Pechiney reported a net loss of 2.98 billion francs in 1996 after taking hefty restructuring charges.

Pechiney shares finished in Paris up 11.90 francs, at 298. *(Reuters, Bloomberg)*

Very briefly:

- **France** will raise the CSG income tax by about 4 percentage points in 1998 and cut payroll taxes by 4.75 points in an effort to increase consumer spending, the government said.
- **France's Matif** futures and options exchange plans to combine trading and clearing operations with its German and Swiss counterparts to better compete with the London exchange, Europe's largest.
- **Volvo AB** said eight-month truck sales declined 1 percent, to 41,464 units, against a year ago. **Volvo Trucks** is to invest 850 million kronor ($110.8 million) to increase its motor production capacity in Skoevde, Sweden.
- **France Telecom SA** is to cut domestic long-distance call rates by 21 percent and international tariffs by an average of 17.5 percent, gearing up for greater competition next year. The cuts will take effect Oct. 1.
- **British** unemployment fell to a 17-year low in August, dropping by 48,600 to 1.5 million, giving a jobless rate of 5.3 percent. *Bloomberg, AFP, Reuters*

Speculation Helps Rossignol

Compiled by Our Staff From Dispatches

PARIS — Shares in Skis Rossignol SA climbed Wednesday on speculation that the French maker of winter-sports goods may be a takeover target following the acquisition of rival Salomon SA by Adidas AG on Tuesday.

Salomon shares surged 77.50 francs, to 516 ($86.60). Adidas's deal valued the sporting goods maker at 521.50 francs a share. Rossignol shares rose 5.00 francs, to 134.50. Adidas shares surged nearly 8 percent after tumbling Tuesday. They closed Wednesday in Frankfurt at 234 DM ($132.08), up 26. *(Bloomberg, AFP)*

WORLD STOCK MARKETS

Wednesday, Sept. 17
Prices in local currencies.
Telekurs

Amsterdam — AEX index: 898.11 Previous: 882.10

	High	Low	Close	Prev.
ABN-AMRO	41.30	40.10	40.80	39.70
Aegon	151.30	148.50	151	147.60
Ahold	53.50	51.60	53.20	50.40
Akzo Nobel	328.80	325	326.80	320
Baan Co.	124.30	119.50	122.50	121
Bols Wess cva	34.40	33	34.30	33.20
CSM cva	95	94.10	94.50	93.60
Dordtsche Pet	110.70	109	109	107.70
DSM	192	188.80	188.80	190
Elsevier	31.90	31.30	31.80	31.40
Fortis Amev	82.90	80.80	82	80.50
Getronics	62.50	60.50	61.50	60.70
G-Broc cva	54	53.30	53.50	53
Hagemeyer	101.70	99.90	100.50	99.40
Heineken	353.50	346	348	349.40
Hoogovens cva	124.50	119.20	123.40	118.30
Hunt Douglas	86	85.30	85.60	85.70
ING Group	92.50	90.70	91.80	90.30
KLM	73	69.90	70.70	72.30
KNP BT	51.40	48.60	51.10	48.50
KPN	77.80	76.40	76.50	76.80
Nedlloyd Gp	60.70	59.60	60.70	59.90
Nutricia	60	58.50	60	58
Oce Grinten	247.70	242	243	236.40
Philips Elec	153.40	147	151.40	146.30
Polygram	115.50	114.50	114.50	114.50
Randstad Hdg	84.50	82	82.70	81.80
Robeco	192	190.40	190.50	186.10
Rodamco	62.40	61.70	62.20	61.60
Rolinco	190	188.50	190	186.90
Rorento	118	117.70	118	117.70
Royal Dutch	110.40	108.40	108.70	108
Unilever cva	424.50	419	421.50	414.30
Vendex Intl	115.30	113.50	114.40	114.50
VNU	44.70	44.10	44.50	43.90
Wolters Kl cva	245	241	241.50	241.90

Bangkok — SET index: 517.40 Previous: 527.21

	High	Low	Close	Prev.
Adv Info Svc	218	214	214	222
Bangkok Bk F	169	163	169	165
Krung Thai Bk	25	24.25	25	24.50
PTT Explor	372	370	372	372
Siam Cement F	580	570	570	580
Siam Com Bk F	105	102	102	105
Telecomasia	30	28.50	28.50	29.75
Thai Airways	47.50	44.75	44.75	47.50
Thai Farm Bk F	102	99.50	102	101
Utd Comm	107	96.50	100	107

Bombay — Sensex 30 index: 3928.33 Previous: 4012.59

	High	Low	Close	Prev.
Bajaj Auto	557	545.25	548.25	555.50
Hindust Lever	1425.75	1384	1389.75	1423.75
Hindust Petm	475.25	466	469.50	476.25
Ind Dev Bk	105.75	104	104.25	106
ITC	576	565	567	572.50
Mahanagar Tel	265	254.25	256.50	265
Reliance Ind	354.50	348.50	349.50	354.50
State Bk India	290.25	282.25	283	289
Steel Authority	17.25	16	16.25	17
Tata Eng Loco	356.25	343	344.25	356.50

Brussels — BEL-20 index: 2379.84 Previous: 2375.43

	High	Low	Close	Prev.
Almanij	1620	1600	1600	1600
Barco Ind	7610	7490	7500	7560
BBL	9790	9650	9650	9700
CBR	3300	3190	3280	3240
Colruyt	18000	17600	17675	17625
Delhaize Lion	1770	1730	1735	1740
Electrabel	7530	7450	7480	7470
Electrafina	3445	3400	3400	3400
Fortis AG	7160	7060	7110	7050
Gevaert	3180	3140	3165	3140
GBL	5880	5780	5810	5820
Gen Banque	14475	14325	14400	14475
Kredietbank	14600	14275	14275	14350
Petrofina	14025	13825	13825	13925
Powerfin	4925	4885	4920	4905
Royale Belge	9580	9490	9540	9480
Soc Gen Belg	3340	3225	3250	3230
Solvay	2175	2145	2145	2130
Tractebel	14825	14725	14775	14800
UCB	123950	122500	123000	120000

Copenhagen — Stock index: 610.29 Previous: 605.47

	High	Low	Close	Prev.
BG Bank	375	370	372	364.57
Carlsberg B	357	351	356	349
Codan Fors	913	909	913	930
Danisco	361.08	355	357	360
Den Danske Bk	681	663	675	668
D/S Svendborg B	413000	413000	413000	413000
DS 1912 B	292000	288000	289400	285571
FLS Ind B	196	189	192	191
Kob Lufthavne	765.77	754	760	755
Novo Nordisk B	668	659	659	660
Sophus Ber B	1015	990	996	985
Tele Danmark B	358	352	352	353
Tryg Baltica	390	384	385	382
Unidanmark A	415	406	408	408

Frankfurt — DAX: 4010.48 Previous: 3898.95

	High	Low	Close	Prev.
AMB B	1560	1560	1555	1575
Adidas	232	223	231.90	215.50
Allianz Hdg	415.58	411	412.50	401
Altana	140.10	138.50	139.50	138.90
Bk Berlin	43.50	43.05	43.05	43.13
BASF	62.20	61	61.98	61.95
Bayer Hypo Bk	71.50	70.70	70.70	69.85
Bay Vereinsbank	95.50	94	94.80	92.80
Bayer	67.50	65.58	67.50	65.45
Beiersdorf	77	75.10	76	75.40
Bewag	39.30	38.90	38.90	38.75
BMW	1392.50	1380	1391	1352.50
CKAG Colonia	154	150	151.80	152.50
Commerzbank	60.70	59.20	60.40	60
Daimler Benz	132.70	131	132.70	128.70
Degussa	98	92.20	97	90.50
Deutsche Bank	110.30	108.50	109.95	105.90
Deut Telekom	35	34.45	34.99	34.85
Dresdner Bank	79	77.80	78.15	77.10
Fresenius	312	308	305	305
Fresenius Med	131.50	129	131.40	132.50
Fried. Krupp	262.50	260	263	257.80
Gehe	98.90	97.50	98.90	97
Heidelbg Zmt	141	140	141	140
Henkel pfd	104.40	102.80	104.40	99.70
HEW	450	445	445	450
Hochtief	80.80	79.50	79	79.90
Hoechst	74.40	72.40	73.45	72.45
Karstadt	650	643	643	613.50
Lahmeyer	93	89	93	92.50
Linde	1260	1240	1258	1201
Lufthansa R	35.60	35.20	35.40	34.55
MAN	557	531	535.50	525
Mannesmann	867.50	855	864.50	843
Metallgesellschaft	39.90	39.25	39.60	39.20
Metro	81.50	80	80.40	78.50
Munch Rueck R	598	588	597.50	560
Preussag	487.50	484	486	484.50
RWE	85.75	83.30	85.30	80.30
SAP pfd	430.50	425.50	430.20	411
Schering	182.80	179.40	181.20	179.60
SGL Carbon	241	235	241	231.50
Siemens	116.90	115.20	116.85	115.40
Springer (Axel)	1500	1450	1500	1420
Suedzucker	856	850	856	835
Thyssen	404.50	402	402.50	400.20
Veba	98.20	96.80	98.20	94.50
VEW	565	564.90	565	558
Viag	781.50	775.50	779.50	759
Volkswagen	1172	1150	1171.50	1157

Helsinki — HEX General index: 3424.86 Previous: 3383.81

	High	Low	Close	Prev.
Enso A	48.50	48	48.50	47.50
Huhtamaki I	205	197	197	197
Kemira	46.90	46.50	46.50	46.50
Kesko	71	69.50	70	70
Merita A	22.70	22	22.50	21.80
Metra B	158	155	156	152
Metso-Serla B	48	45.50	47.60	45
Neste	139	137	139	137.50
Nokia A	445	437	439.50	436
Orion-Yhtymae	174.10	173	173.50	172
Outokumpu A	91.50	90.50	91	90
UPM-Kymmene	136	134.60	135.60	134.10
Valmet	80.70	79.50	80.70	79

Markets Closed

Stock markets in Hong Kong and Seoul were closed Wednesday for a holiday.

Jakarta — Composite index: 526.74 Previous: 534.83

	High	Low	Close	Prev.
Astra Intl	3375	3100	3200	3250
Bk Intl Indon	950	875	900	950
Bk Negara	975	925	925	950
Gudang Garm	8725	8475	8500	8725
Indocement	2375	2200	2300	2350
Indofood	3650	3650	3650	3650
Indosat	7600	7525	7600	7475
Sampoerna HM	7200	6650	6825	7225
Semen Gresik	3075	3000	3000	3100
Telekomunikasi	3300	3250	3275	3275

Johannesburg — All Market: 7191.82 Previous: 7145.83

	High	Low	Close	Prev.
Amalgamtd Bks	31.40	31.05	31.40	31
AngloAm Coal	276	275	276	273
AngloAm Corp	243	240.50	242	241.50
AngloAm Gold	242	240.25	240.50	243
AngloAm Ind	187	183	185.25	186
AVMIN	12	11.90	12	12.15
Barlow	54.50	52.75	54	52.75
C.G. Smith	23.30	23	23.20	23.30
De Beers	139.50	138.50	139	137.75
Driefontein	30.90	30.25	30.50	31
Fst Natl Bk	38	36.80	37.80	36.80
Gencor	10.70	10.45	10.50	10.70
GFSA	97	95	96	96
Imperial Hdgs	64.25	63.50	64	63.50
Ingwe Coal	22.25	22.20	22.25	22.20
Iscor	3.17	3.15	3.16	3.15
Johnnies Indl	63.50	61.75	62	63
Liberty Hdgs	378.25	378	378	377.50
Liberty Life	142	140	141.25	141.25
LibLife Strat	16.20	15.80	16.30	16.10
Minorco	100	98.50	98.50	99.50
Nampak	18.05	17.70	18	17.65
Nedcor	102.50	98.50	101.50	98.25
Rembrandt Gp	42.25	41.25	41.85	41.20
Richemont	62.50	60.75	62.50	61
Rust Platinum	81	80	81	80
SA Breweries	134.50	131.50	134.25	132.25
Samancor	37	36.10	37	36.10
Sasol	62.75	61.50	62.25	61
SBIC	206	202	204	205
Tiger Oats	72	70	71	71.50

Kuala Lumpur — Composite: 811.12 Previous: 827.88

	High	Low	Close	Prev.
AMMB Hdgs	9.55	9.05	9.05	9.35
Genting	10.33	10.10	10.20	10.30
Mal Banking	17.70	17.30	17.30	17.70
Mal Intl Ship F	5.30	5.10	5.10	5.40
Petronas Gas	9.30	9.10	9.30	9.30
Proton	9.05	8.75	9	9.05
Public Bk	2.83	2.77	2.80	2.77
Renong	3.30	3.24	3.30	3.36
Resorts World	7.20	7.05	7.15	7.10
Rothmans PM	26	25.75	25.75	26
Sime Darby	6.80	6.55	6.65	6.85
Telekom Mal	9.50	9.05	9.30	9.50
Tenaga	8.50	8.15	8.30	8.50
Utd Engineers	12.60	12.30	12.30	12.60
YTL	4.68	4.46	4.50	4.68

London — FT-SE 100: 5013.10 Previous: 4976.40

	High	Low	Close	Prev.
Abbey Natl	9.05	8.83	8.84	8.80
Allied Domecq	4.85	4.76	4.84	4.77
Anglian Water	8.12	8.03	8.07	8.02
Argos	6.74	6.61	6.65	6.63
Asda Group	1.53	1.48	1.52	1.48
Assoc Br Foods	5.39	5.32	5.39	5.28
BAA	5.72	5.65	5.67	5.66
Barclays	15.05	14.78	14.92	14.90
Bass	8.50	8.42	8.45	8.45
BAT Ind	5.25	5.13	5.19	5.22
Bank Scotland	4.60	4.48	4.54	4.33
Blue Circle	4.07	3.92	3.92	3.96
BOC Group	10.86	10.76	10.85	10.64
Boots	8.27	8.21	8.24	8.23
BPB Ind	3.60	3.55	3.56	3.55
Brit Aerosp	16.90	16.48	16.81	16.53
Brit Airways	7.10	6.68	6.71	7.04
BG	2.72	2.57	2.58	2.69
Brit Land	6.03	5.93	5.99	5.99
Brit Petm	9.11	8.87	9.03	8.81
BSkyB	4.63	4.55	4.58	4.60
Brit Steel	1.85	1.75	1.85	1.75
Brit Telecom	4.05	3.95	4.01	3.95
BTR	2.42	2.34	2.40	2.38
Burmah Castrol	10.95	10.83	10.88	10.75
Burton Gp	1.20	1.16	1.20	1.17
Cable Wireless	5.55	5.23	5.50	5.40
Cadbury Schw	5.77	5.67	5.72	5.72
Carlton Comm	5.15	4.97	5.04	5.07
Coml Union	7.75	7.55	7.61	7.60
Compass Gp	6.34	6.05	6.24	6.01
Courtaulds	3.26	3.07	3.26	3.10
Dixons	6.40	6.33	6.34	6.31
Electrocomponents	4.68	4.63	4.65	4.64
EMI Group	6.22	5.98	6	6.10
Energy Group	6.47	6.39	6.43	6.39
Enterprise Oil	6.80	6.70	6.75	6.68
Fam Colonial	1.75	1.73	1.73	1.72
Genl Accident	9.66	9.50	9.56	9.60
GEC	3.89	3.82	3.84	3.85
GKN	13.03	12.89	12.95	12.92
Glaxo Wellcome	13.39	13.18	13.35	13.04
Granada Gp	8.15	8.05	8.07	8.09
Grand Met	5.93	5.87	5.88	5.82
GRE	2.96	2.92	2.96	2.87
Greenalls Gp	4.56	4.52	4.53	4.52
Guinness	5.74	5.61	5.71	5.65
GUS	6.71	6.61	6.69	6.62
Hays	6.48	6.40	6.43	6.42
HSBC Hldgs	19.05	18.67	18.86	18.67
ICI	10.37	10.27	10.33	10.05
Impl Tobacco	3.83	3.45	3.71	3.83
Kingfisher	8	7.86	7.96	7.83
Ladbroke	2.72	2.44	2.66	2.66
Land Sec	9.27	9.18	9.18	9.18
Lasmo	2.68	2.63	2.64	2.64
Legal Genl Grp	4.64	4.45	4.49	4.56
Lloyds TSB Gp	7.69	7.50	7.63	7.48
LucasVarity	2.27	2.23	2.25	2.18
Marks Spencer	5.98	5.82	5.96	5.93
MEPC	4.79	4.71	4.76	4.71
Mercury Asset	12.74	12.40	12.42	12.47
National Grid	2.85	2.79	2.81	2.77
Natl Power	5.78	5.50	5.65	5.74
NatWest	8.98	8.75	8.78	8.60
Next	7.45	6.85	7.38	7.31
Norwich Union	3.37	3.30	3.35	3.36
Orange	2.21	2.16	2.17	2.20
P&O	6.90	6.67	6.69	6.86
Pearson	7.63	7.50	7.53	7.57
Pilkington	1.57	1.48	1.55	1.48
PowerGen	7.81	7.50	7.54	7.76
Premier Farnell	5.35	5.27	5.27	5.27
Prudential	6.48	6.36	6.41	6.38
Railtrack Gp	8.12	7.80	8.09	7.77
Rank Group	3.66	3.48	3.52	3.59
Reckitt Coln	9.79	9.60	9.70	9.75
Redland	2.90	2.84	2.87	2.85
Reed Intl	5.84	5.74	5.74	5.77
Rentokil Initial	2.45	2.36	2.43	2.37
Reuters Hdgs	6.92	6.83	6.89	6.87
Rexam	3.39	3.28	3.31	3.30
RTZ reg	9.76	9.56	9.69	9.70
RMC Group	10.58	10.48	10.54	10.48
Rolls Royce	2.36	2.30	2.35	2.29
Royal Bk Scot	6.27	6.12	6.12	6.20
Royal & Sun All	5.45	5.38	5.39	5.25
Safeway	3.92	3.83	3.88	3.83
Sainsbury	4.36	4.30	4.33	4.28
Schroders	18.15	17.95	17.96	17.85
Scot Newcastle	7.42	7.34	7.40	7.36
Scot Power	4.55	4.48	4.51	4.50
Securicor	2.57	2.53	2.54	2.56
Severn Trent	8.73	8.65	8.69	8.64
Shell Transp R	4.60	4.50	4.50	4.55
Siebe	11.67	11.35	11.61	11.25
Smith Nephew	1.88	1.86	1.87	1.87
SmithKline	5.69	5.46	5.55	5.45
Smiths Ind	8.89	8.81	8.89	8.77
Sthern Elec	4.65	4.53	4.55	4.61
Stagecoach	6.83	6.73	6.83	6.76
Stand Charter	8.26	8.15	8.15	7.86
Tate & Lyle	4.07	4.03	4.06	4.04
Tesco	4.51	4.43	4.50	4.38
Thames Water	8.24	8.07	8.16	8.05
3i Group	5.03	4.91	5.03	4.92
TI Group	6.24	6.05	6.18	5.92
Tomkins	[illegible]	3.25	3.25	3.27
Unilever	17.86	17.47	17.68	17.47
Utd Assurance	5	4.72	4.80	4.50
Utd News	7.64	7.51	7.56	7.58
Utd Utilities	6.99	6.87	6.92	6.88
Vendome Lx uts	4.80	4.75	4.75	4.73
Vodafone	3.35	3.23	3.32	3.22
Whitbread	8.04	7.95	8.02	7.98
Williams Hdgs	3.57	3.52	3.53	3.53
Wolseley	5.05	4.98	4.99	4.96
WPP Group	2.85	2.81	2.83	2.80
Zeneca	19.95	19.33	19.52	19.25

Madrid — Bolsa index: 601.46 Previous: 600.53

	High	Low	Close	Prev.
Acerinox	25790	24970	25620	24750
ACESA	1990	1970	1970	1985
Aguas Barcelon	5960	5770	5880	5750
Argentaria	8200	8110	8110	8000
BBV	4300	4235	4260	4275
Banesto	1485	1465	1470	1465
Bankinter	8320	8150	8300	8110
Bco Centro Hisp	6070	5980	6020	5960
Bco Popular	9240	8950	8980	9030
Bco Santander	4620	4560	4570	4540
CEPSA	4600	4525	4540	4595
Continente	2990	2910	2920	2960
Corp Mapfre	8650	8510	8510	8550
Endesa	3145	3085	3085	3110
FECSA	1250	1230	1235	1235
Gas Natural	7580	7220	7350	7480
Iberdrola	1800	1770	1775	1780
Pryca	2785	2715	2745	2760
Repsol	6320	6240	6270	6230
Sevillana Elec	1395	1375	1380	1375
Tabacalera	9640	9400	9570	9300
Telefonica	4410	4340	4345	4335
Union Fenosa	1275	1255	1265	1265
Valenc Cement	2820	2785	2820	2820

Manila — PSE index: 2073.94 Previous: 2109.55

	High	Low	Close	Prev.
Ayala B	14	13.50	13.50	14
Ayala Land	16.50	15.50	15.75	16.50
Bk Philip Isl	104	100	103	100
C&P Homes	3.95	3.65	3.85	3.85
Manila Elec A	74	73	73.50	73
Metro Bank	390	375	375	385
Petron	4.30	4.15	4.20	4.15
PCIBank	160	155	155	156
Phil Long Dist	920	895	915	900
San Miguel B	59	57.50	57.50	58.50
SM Prime Hdg	6.20	6	6.10	6.30

Mexico — Bolsa index: 4969.33 Previous: 4833.12

	High	Low	Close	Prev.
Alfa A	65.20	63.88	64.10	62.50
Banacci B	22.85	22.25	22.65	21.35
Cemex CPO	39.60	38.85	38.85	38.90
Cifra C	15.14	14.52	15.02	14.20
Emp Moderna	39.80	39.00	39.00	39.15
Gpo Carso A1	63.50	62.30	62.70	61.00
Gpo F Bcomer	3.50	3.35	3.44	3.34
Gpo Fin Inbursa	34.50	33.00	34.10	33.00
Kimb Clark Mex	37.00	36.10	36.70	35.70
Televisa CPO	147.30	146.60	146.80	144.00
TelMex L	18.62	18.30	18.44	17.84

Milan — MIB Telematico: 14881.00 Previous: 14876.00

	High	Low	Close	Prev.
Alleanza Assic	16245	16000	16000	16050
Bca Comm Ital	4925	4760	4760	4825
Bca Fideuram	6670	6510	6660	6515
Bca di Roma	1650	1588	1590	1601
Benetton	28200	27450	27500	27250
Credito Italiano	3715	3580	3700	3590
Edison	8770	8685	8685	8610
ENI	10420	10205	10205	10205
Fiat	6025	5820	5835	5905
Generali Assic	38800	38450	38750	38600
IMI	17780	17500	17500	17570
INA	2650	2610	2610	2630
Italgas	5870	5740	5790	5780
Mediaset	8495	8230	8400	8340
Mediobanca	13100	12910	12950	12850
Montedison	1270	1245	1255	1245
Olivetti	890	870	870	881
Parmalat	2790	2730	2735	2720
Pirelli	4855	4730	4730	4780
RAS	15000	14800	14800	14730
Rolo Banca	23200	22700	22700	22500
S Paolo Torino	12400	11990	12100	12360
Telecom Italia	11195	10805	10805	11000
TIM	6655	6505	6505	6385

Montreal — Industrials index: 3668.18 Previous: 3656.85

	High	Low	Close	Prev.
Bce Mob Com	51.45	51.45	51.45	51¾
Cdn Tire A	28.10	27.90	28.05	27.90
Cdn Util A	37.20	37.15	37.15	37.10
CT Finl Svc	44	44	44	43.45
Gaz Metro	18.15	17.95	18.15	18.10
Gt-West Lifeco	32.60	32½	32½	32.45
Imasco	40.40	40¼	40¼	40.20
Investors Grp	37.80	36¼	37.80	36.10
Loblaw Cos	20¼	20¼	20¼	21.20
Natl Bk Canada	19.10	18.85	19	19.10
Power Corp	38.80	38½	38.80	38¼
Power Finl	37¼	37	37.05	36½
Quebecor B	26½	26¼	26¼	26.40
Rogers Comm B	9.05	8.95	8.95	9.15
Royal Bk Cda	65.95	65.60	65.85	65.20

Oslo — OBX index: 694.70 Previous: 692.91

	High	Low	Close	Prev.
Aker A	129.50	127	128	128.50
Bergesen Dy A	198	195	198	196.50
Christiania Bk	24.50	24.10	24.10	24
Den norske Bk	29.90	29.40	29.40	29.40
Elkem	131	126.50	127	127.50
Hafslund A	44	43.50	44	44
Kvaerner Asa	422.50	410	411	416
Norsk Hydro	440	433	434	433
Norske Skog A	256	249	250	250
Nycomed A	164	160	163	160
Orkla Asa A	582	578	582	573
Petlm GeoSvc	473	462	462	465
Saga Petlm A	147	142.50	142.50	146
Schibsted	123.50	122	123	120
Transocean Off	N.T.	N.T.	N.T.	690
Storebrand Asa	53	51.50	51.50	52

Paris — CAC-40: 2944.00 Previous: 2940.55

	High	Low	Close	Prev.
Accor	995	964	986	973
AGF	242.50	237.10	242	237.50
Air Liquide	945	914	934	933
Alcatel Alsth	837	819	821	823
Axa-UAP	397.30	392	395.50	392.30
Bancaire	711	686	694	699
BIC	441	425	440	420.20
BNP	292.70	288	288.90	290.30
Canal Plus	1095	1072	1077	1059
Carrefour	3620	3552	3552	3569
Casino	Susp.	Susp.	Susp.	332.10
CCF	331	324.80	325	327.60
Cetelem	620	600	619	621
Christian Dior	860	822	848	821
CLF-Dexia Fran	564	541	545	551
Credit Agricole	1306	1306	1306	1285
Danone	870	839	843	858
Elf-Aquitaine	798	770	775	786
Eridania BS	827	805	805	814
Eurodisney	8.15	8	8.10	8.10
Eurotunnel	6.50	6.35	6.40	6.40
Gen. Eaux	733	695	697	725
Havas	404.60	396	396.30	399.40
Imetal	868	843	867	867
Lafarge	448.50	437.10	445.50	437
Legrand	1247	1221	1247	1212
L'Oreal	2307	2250	2263	2247
LVMH	1342	1308	1331	1298
Michelin B	337.90	327	333.20	326.90
Paribas A	422.70	415	418	415
Pernod Ricard	315	297.30	299.40	313.10
Peugeot Cit	782	762	767	776
Pinault-Print	2653	2573	2609	2618
Promodes	2197	2116	2135	2133
Renault	176.90	172.50	173.90	175.50
Rexel	1640	1572	1620	1643
Rh-Poulenc A	243	239.50	240.50	237
Sanofi	614	601	610	595
Schneider	359	353.10	357	350.90
SEB	846	820	841	822
SGS Thomson	529	515	517	500
Ste Generale	830	808	818	831
Sodexho	2695	2641	2645	2625
St Gobain	929	905	910	922
Suez Lyon Eaux	667	655	659	652
Synthelabo	739	716	726	715
Thomson CSF	182.40	173.50	181	174.70
Total B	657	643	650	645
Usinor	109.40	105	105	109.50
Valeo	384	365.10	373.50	359.80

São Paulo — Bovespa index: 11328.58 Previous: 11284.40

	High	Low	Close	Prev.
Bradesco Pfd	10.40	9.95	10.40	10.00
Brahma Pfd	818.00	795.05	812.00	795.05
Cemig Pfd	57.01	56.00	57.00	56.01
CESP Pfd	83.50	81.00	81.50	81.80
Copel	16.40	15.70	16.40	16.40
Eletrobras	550.00	533.00	547.00	535.99
Itaubanco Pfd	590.00	555.00	584.00	551.03
Light Servicos	462.00	460.00	462.00	461.00
Lightpar	358.00	340.00	350.00	344.94
Petrobras Pfd	293.00	286.00	292.00	287.99
Paulista Luz	200.00	188.01	192.00	185.50
Sid Nacional	39.80	38.80	39.80	39.20
Souza Cruz	10.30	10.20	10.25	10.150
Telebras Pfd	140.00	136.50	138.80	138.10
Telemig	165.00	163.00	163.00	164.00
Telerj	128.00	124.00	125.00	125.50
Telesp Pfd	299.89	294.00	296.00	293.00
Unibanco	37.20	35.00	37.20	36.00
Usiminas Pfd	11.85	11.55	11.85	11.60
CVRD Pfd	26.80	26.10	26.80	26.50

Singapore — Straits Times: 1910.24 Previous: 1920.60

	High	Low	Close	Prev.
Asia Pac Brew	5.40	5.40	5.40	5.30
Cerebos Pac	5.65	5.20	5.25	5.30
City Devlts	10	9.70	9.75	9.85
Cycle Carriage	10.10	9.90	10	10.10
Dairy Farm Int *	0.93	0.90	0.93	0.90
DBS foreign	15.90	15.50	15.70	15.60
DBS Land	3.96	3.78	3.80	3.92
Fraser & Neave	9.10	8.95	9	9
HK Land *	3.30	3.20	3.30	3.12
Jard Matheson *	8.35	8.15	8.30	8.15
Jard Strategic *	3.84	3.68	3.84	3.62
Keppel A	5.95	5.85	5.95	5.95
Keppel Bank	3.20	3.14	3.16	3.18
Keppel Fels	4.52	4.46	4.50	4.40
Keppel Land	3.94	3.86	3.86	3.90
OCBC foreign	11.20	11	11.10	11.10
OS Union Bk F	7.05	6.85	6.85	6.95
Parkway Hdgs	6.10	5.70	5.80	6.10
Sembawang	6.65	6.45	6.60	6.40
Sing Air foreign	12.60	12.10	12.60	12.50
Sing Land	7.35	7.20	7.25	7.30
Sing Press F	23.40	22.40	23	23.10
Sing Tech Ind	2.60	2.49	2.50	2.58
Sing Telecomm	2.26	2.22	2.25	2.28
Tat Lee Bank	2.85	2.81	2.81	2.83
Utd Industrial	1.05	1.04	1.04	1.03
Utd O'Sea Bk F	11.80	11.30	11.30	11.60
Wing Tai Hdgs	3.40	3.08	3.10	3.28

*: in U.S. dollars.

Stockholm — SX 16 index: 3391.26 Previous: 3370.95

	High	Low	Close	Prev.
AGA B	122.50	119	122	119
ABB A	110	107.50	107.50	108.50
AssiDoman	247	237	243	244
Astra A	137	133	133	135
Atlas Copco A	252	249	249.50	249.50
Autoliv	329.50	324	327	322
Electrolux B	592	585	585	586
Ericsson B	345	337.50	339.50	336.50
Hennes B	334	310	323.50	329.50
Incentive A	710	696	698	699
Investor B	407	400	403	399
MoDo B	260	252.50	260	251
Nordbanken	261	253	253	256.50
Pharm/Upjohn	286	281.50	282.50	275.50
Sandvik B	253	249	249	247
Scania B	236.50	230.50	231.50	231.50
SCA B	191	189	190.50	190
S-E Banken A	91.50	90	91	90.50
Skandia Fors	336	331.50	335	330
Skanska B	317	313	316	312.50
SKF B	217.50	215.50	215.50	214.50
Sparbanken A	183	180.50	182	180.50
Stora A	132	123.50	131	122
Sv Handels A	249	246.50	248	244
Volvo B	207.50	204.50	206.50	204.50

Sydney — All Ordinaries: 2679.30 Previous: 2651.80

	High	Low	Close	Prev.
Amcor	8.70	8.52	8.64	8.65
ANZ Bking	10.70	10.50	10.65	10.41
BHP	16.51	16.11	16.19	16.10
Boral	4.09	4	4	4
Brambles Ind.	30	29	29.05	29.06
CBA	16.25	16.09	16.21	16.02
CC Amatil	15.05	14.85	14.94	14.70
Coles Myer	6.60	6.50	6.57	6.44
Comalco	6.85	6.78	6.78	6.80
CSR	5.30	5.16	5.29	5.16
Fosters Brew	2.84	2.78	2.79	2.77
Goodman Fld	2.26	2.20	2.24	2.18
ICI Australia	12.35	12.08	12.25	11.97
Lend Lease	31.50	30.79	31.30	30.50
MIM Hdgs	1.56	1.52	1.53	1.52
Nat Aust Bank	20.50	20.03	20.35	20.02
Nat Mutual Hdg	2.30	2.20	2.28	2.18
News Corp	6.53	6.41	6.51	6.38
Pacific Dunlop	3.72	3.65	3.70	3.69
Pioneer Intl	4.79	4.69	4.70	4.69
Pub Broadcast	8.70	8.43	8.58	8.42
Rio Tinto	20.20	20.05	20.13	20.10
St George Bank	8.35	8.25	8.32	8.19
WMC	6.51	6.30	6.35	6.35
Westpac Bking	8.45	8.29	8.31	8.29
Woodside Pet	12.30	12.01	12.05	12
Woolworths	4.22	4.17	4.18	4.14

Taipei — Stock Market index: 9087.55 Previous: 8932.02

	High	Low	Close	Prev.
Cathay Life Ins	135.50	133	133.50	133.50
Chang Hwa Bk	105	101	103	103
Chiao Tung Bk	81.50	80	80.50	79.50
China Develpmt	122	119.50	120.50	118
China Steel	28.80	28.50	28.50	28.50
First Bank	106	102	103.50	105
Formosa Plastic	61	59	60.50	59
Hua Nan Bk	112.50	107.50	110	110
Intl Comm Bk	57	55	56.50	55
Nan Ya Plastics	71	70	71	69
Shin Kong Life	88.50	86.50	87	87
Taiwan Semi	141.50	136	140	133.50
Tatung	45.20	44.80	44.80	44.70
Utd Micro Elec	95.50	92	95.50	89.50
Utd World Chin	63	62	62.50	62.50

Tokyo — Nikkei 225: 17683.27 Previous: 17974.50

	High	Low	Close	Prev.
Ajinomoto	1070	990	1000	1060
All Nippon Air	709	690	699	698
Amway	3430	3390	3400	3390
Asahi Bank	800	755	760	800
Asahi Chem	573	524	538	569
Asahi Glass	915	890	898	914
Bk Tokyo Mitsu	2230	2170	2170	2190
Bk Yokohama	491	467	470	490
Bridgestone	2840	2750	2800	2810
Canon	3500	3390	3440	3440
Chubu Elec	2070	2050	2050	2070
Chugoku Elec	1970	1960	1960	1970
Dai Nipp Print	2460	2350	2400	2450
Daiei	722	700	700	720
Dai-Ichi Kang	1350	1290	1310	1340
Daiwa Bank	545	490	510	544
Daiwa House	1400	1350	1350	1390
Daiwa Sec	713	675	687	680
DDI	6310a	6100a	6100a	6260a
Denso	2950	2850	2880	2900
East Japan Ry	5750a	5600a	5600a	5750a
Eisai	2330	2260	2270	2300
Fanuc	4880	4690	4700	4770
Fuji Bank	1390	1340	1350	1370
Fuji Photo	4800	4610	4690	4750
Fujitsu	1470	1430	1440	1440
Hachijuni Bk	1150	1110	1110	1150
Hitachi	1030	1010	1020	1010
Honda Motor	3900	3810	3830	3820
IBJ	1500	1450	1460	1480
IHI	340	331	331	327
Itochu	466	451	451	459
Ito-Yokado	6210	5850	5890	6120
JAL	494	489	490	490
Japan Tobacco	9500a	9400a	9430a	9480a
Jusco	3030	2940	3000	3030
Kajima	583	570	573	574
Kansai Elec	2200	2180	2190	2190
Kao	1660	1630	1650	1660
Kawasaki Hvy	451	444	445	451
Kawa Steel	252	228	243	251
Kinki Nipp Ry	690	682	683	683
Kirin Brewery	1040	981	987	1030
Kobe Steel	158	151	151	155
Komatsu	699	692	695	692
Kubota	455	433	442	465
Kyocera	7850	7600	7600	7800
Kyushu Elec	2000	1990	2000	2000
LTCB	539	516	518	535
Marubeni	404	390	400	403
Marui	2050	1930	1940	2010
Matsu Comm	3520	3450	3510	3470
Matsu Elec Ind	2130	2090	2100	2110
Matsu Elec Wk	1280	1260	1270	1260
Mitsubishi	1070	1020	1040	1040
Mitsubishi Ch	299	295	297	294
Mitsubishi El	509	503	503	504
Mitsubishi Est	1650	1580	1610	1630
Mitsubishi Hvy	734	720	726	725
Mitsubishi Mat	674	648	650	669
Mitsubishi Tr	1740	1700	1710	1720
Mitsui	934	896	904	929
Mitsui Fudosn	1410	1360	1380	1390
Mitsui Trust	610	587	590	606
Murata Mfg	5200	4950	4950	5150
NEC	1380	1350	1360	1360
Nikon	1900	1820	1830	1840
Nikko Sec	490	482	486	481
Nintendo	10900	10600	10700	10600
Nipp Express	787	769	769	779
Nippon Oil	512	491	491	507
Nippon Steel	277	262	266	271
Nissan Motor	722	686	691	721
NKK	187	183	184	188
Nomura Sec	1500	1430	1440	1490
NTT	1030b	9990a	1000b	1000b
NTT Data	5340b	5230b	5260b	5300b
Oji Paper	590	566	567	584
Osaka Gas	303	290	301	300
Ricoh	1710	1660	1680	1680
Rohm	13000	12400	12400	12500
Sakura Bk	657	632	640	637
Sankyo	3920	3800	3850	3790
Sanwa Bank	1560	1480	1490	1540
Sanyo Elec	419	405	405	413
Secom	8070	7930	8010	7960
Seibu Rwy	5000	4900	4900	5000
Sekisui Chem	987	936	938	985
Sekisui House	1180	1130	1160	1190
Seven-Eleven	8740	8570	8700	8700
Sharp	1170	1120	1140	1150
Shikoku El Pwr	1980	1970	1970	1970
Shimizu	578	560	563	568
Shin-etsu Ch	3120	3060	3070	3060
Shiseido	1980	1930	1940	1940
Shizuoka Bk	1270	1260	1260	1270
Softbank	5300	5200	5200	5300
Sony	11000	10600	10800	10600
Sumitomo	885	854	858	866
Sumitomo Bk	1750	1700	1710	1740
Sumit Chem	444	420	430	442
Sumitomo Elec	1700	1680	1680	1690
Sumit Metal	262	251	252	258
Sumit Trust	1170	1090	1100	1160
Taisho Pharm	3020	2930	2940	2980
Takeda Chem	3460	3300	3360	3440
TDK	9920	9760	9880	9850
Tohoku El Pwr	1980	1960	1970	1970
Tokai Bank	997	952	965	993
Tokio Marine	1400	1340	1350	1380
Tokyo El Pwr	2330	2280	2290	2330
Tokyo Electron	7070	6860	6890	6920
Tokyo Gas	290	281	282	287
Tokyu Corp.	578	570	571	578
Tonen	1070	1040	1050	1050
Toppan Print	1630	1590	1600	1580
Toray Ind	759	715	729	751
Toshiba	650	631	632	638
Tostem	2100	1930	1950	2080
Toyo Trust	961	946	947	946
Toyota Motor	3400	3320	3350	3360
Yamanouchi	2990	2910	2920	2960

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6895.19 Previous: 6865.25

	High	Low	Close	Prev.
Abitibi Cons.	24.10	23.85	24.10	24
Alberta Energy	32.40	31.80	32.35	31¾
Alcan Alum	48¼	47.30	47.55	48¼
Anderson Expl	18.10	17.90	18	18.15
Bk Montreal	57.35	56.90	57.30	56.40
Bk Nova Scotia	64.65	64.20	64.65	63.70
Barrick Gold	29.95	29.30	29.85	29.35
BCE	42.30	41.85	41.90	41.55
BC Telecomm	34.80	34.15	34.80	34.05
Biochem Pharm	44.40	42.95	44.40	42.40
Bombardier B	29½	29¼	29.45	29.10
Cameco	49	48½	48.60	48.60
CIBC	40¼	39.65	39.80	39.55
Cdn Natl Rail	71.85	71.20	71.65	71.65
Cdn Nat Res	42¾	42½	42.65	42.35
Cdn Occid Pet	37.40	37.20	37.35	37.30
Cdn Pacific	41.95	41.40	41.95	41.70
Cominco	33.30	32¼	32.85	33.20
Dofasco	28.45	28.10	28¼	28.35
Domtar	12¼	11¾	12	11¾
Donohue A	32.05	31.40	32	31.65
Du Pont Cda A	33½	33½	33½	33
EdperBrascan	23.05	22.90	23	22.90
EuroNev Mng	22	21½	21.90	21¾
Fairfax Finl	390	388	390	388
Falconbridge	24.65	24.20	24¼	24.70
Fletcher Chall A	23	22¼	23	22¼
Franco Nevada	29.20	29	29.20	29.15
Gulf Cda Res	11.20	10.90	11	11.20
Imperial Oil	78	77½	77.95	77.85
Inco	36.55	34.35	34.85	35.20
IPL Energy	53.60	53.40	53½	53½
Laidlaw B	22.60	22.05	22.15	22½
Loewen Group	37.10	34¼	36¼	35.45
Macmill Bldl	19.45	18.90	19	19¼
Magna Intl A	97.05	96¼	96.65	96.90
Methanex	11½	11.30	11.40	11.45
Moore	29.80	29½	29.80	29.45
Newbridge Net	77.40	75.30	77.10	76.35
Noranda Inc	26.35	26.20	26¼	26.20
Norcen Energy	36	35¼	36	36
Nthern Telecom	145.85	142.80	143¼	143
Nova	11.65	11½	11.55	11.60
Onex	33¼	32¼	33¼	32.90
Pancdn Petlm	26	25¼	25¾	25.85
Petro Cda	26	25½	25½	25.95
Placer Dome	21¾	21.10	21.70	21.20
Poco Petlm	13.85	13.70	13.80	13¾
Potash Sask	106¼	104.70	106	105½
Renaissance	37	36¼	36½	36.65
Rio Algom	30¼	30	30.10	30
Rogers Cantel B	26	26	26	26.15
Seagram Co	50¼	49.10	49¼	50.40
Shell Cda A	23.60	23.40	23½	23½
Suncor	46.55	46	46¼	46.45
Talisman Eny	48.90	48.05	48.10	48¼
Teck B	24¼	23.90	24	24¼
Teleglobe	48¼	48	48.15	47.95
Telus	30.05	29.90	30	30.10
Thomson	33¼	32.60	33.20	32.95
TorDom Bank	47	46.45	46¾	46.45
Transalta	17.80	17.65	17.80	17.80
TransCda Pipe	27.15	27	27	27.05
Trimark Finl	77½	75.30	77½	75
Trizec Hahn	32.35	32.05	32.35	32.10
TVX Gold	6.65	6.40	6.55	6½
Westcoast Eny	28.90	28.70	28¼	28¼
Weston	107	103	107	106½

Vienna — ATX index: 1368.32 Previous: 1349.30

	High	Low	Close	Prev.
Boehler-Uddeh	971.30	961.40	971.30	958.60
Creditanst Pfd	633	621.50	630	630.90
EA-Generali	3020	2964	2980	2964
EVN	1496	1458	1469.90	1472
Flughafen Wien	494.15	486	489	480
OMV	1757.90	1720	1751	1700
Oest Elektriz	874.80	871.10	874.50	871.50
VA Stahl	545	532	539.60	535
VA Tech	2578	2535	2577	2515
Wienerberg Bau	2539	2501	2539	2502

Wellington — NZSE-40 index: 2538.98 Previous: 2524.52

	High	Low	Close	Prev.
Air N Zeald B	4.07	4.03	4.03	4.03
Brierly Invt	1.32	1.31	1.31	1.30
Carter Holt ord	3.50	3.40	3.50	3.41
Fletch Ch Bldg	4.85	4.70	4.71	4.80
Fletch Ch Eny	6.53	6.40	6.40	6.41
Fletch Ch Forst	1.98	1.96	1.96	1.94
Fletch Ch Paper	3.17	3.05	3.09	3.05
Lion Nathan	3.85	3.73	3.73	3.87
Telecom NZ	8.45	8.23	8.23	8.16
Wilson Horton	11.40	11.40	11.40	11.40

Zurich — SPI index: 3555.66 Previous: 3481.16

	High	Low	Close	Prev.
ABB B	2135	2093	2130	2072
Adecco B	564	535	561	534
Alusuisse R	1340	1302	1335	1301
Ares-Serono B	2400	2350	2400	2350
Atel R	850	840	840	840
Baer Hdg B	2140	2075	2140	2040
Baloise Hldg N	2054	2025	2035	2008
BK Vision	1128	1105	1128	1100
Ciba Spec Chem	142	140.75	141	140.75
Clariant R	1130	1100	1129	1090
Crd Suisse Gp R	197	191.50	195	190
Elektrowatt B	536	535	536	536
Ems-Chemie	6870	6800	6870	6860
ESEC Hdg	4270	4150	4150	4260
Holderbank B	1355	1314	1350	1310
Liechtenst LB B	578	575	578	578
Nestle R	1870	1845	1860	1836
Novartis R	2255	2180	2246	2153
Oerlikn Bueh R	183.75	179.25	183.25	179.75
Pargesa Hld B	1830	1825	1829	1830
PharmVisn B	878	866	878	870
Richemont A	1950	1885	1920	1900
Pirelli PC	330	322.50	322.50	328
Roche Hdg PC	13250	12950	13120	12900
SBC R	388	382	385.50	380
Schindler PC	1875	1840	1850	1875
SGS B	2650	2610	2620	2617
SMH B	904	890	904	900
Sulzer R	1046	1008	1008	1025
Swiss Reins R	2103	2032	2095	2022
SAir Group R	1905	1864	1900	1849
UBS B	1580	1552	1558	1547
Winterthur R	1425	1386	1414	1373
Zurich Assur R	605	591	599	587

The Trib Index

Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	173.49	+0.97	+0.56	+16.33
Regional Indexes				
Asia/Pacific	116.51	-0.50	-0.43	-5.61
Europe	188.23	+2.03	+1.09	+16.77
N. America	207.64	+0.16	+0.08	+28.24
S. America	164.80	+3.75	+2.33	+44.02
Industrial Indexes				
Capital goods	222.14	+1.55	+0.70	+29.97
Consumer goods	190.32	+1.19	+0.63	+17.90
Energy	204.55	+0.68	+0.33	+19.82
Finance	128.31	+0.40	+0.31	+10.18
Miscellaneous	184.25	+1.69	+0.93	+13.89
Raw Materials	184.10	+2.22	+1.22	+4.97
Service	162.79	+0.62	+0.38	+18.55
Utilities	167.94	+1.65	+0.99	+17.06

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD ROUNDUP

Borussia Picks Up Where It Left Off

SOCCER The defending European Cup champion, Borussia Dortmund, got off on the right foot by beating Galatasaray of Turkey, 1-0, on Wednesday in the first rotation of the new Champion's League season in Istanbul.

A bad pass by Galatasaray's defense in the 74th minute gave the ball to Borussia Dortmund's Stephane Chapuisat. The Swiss striker had no trouble getting by the lone Galatasaray defender in the penalty area before scoring the winning goal. After a slow first half with no goals, Galatasaray pressed hard in the second half, getting several chances at Borussia Dortmund's goal without scoring.

Galatasaray's star striker, Hakan Sukur, had a one-on-one with Dortmund's goalie Stefan Klos but his shot bounced off the post. *(AP)*

Rodman Still in Limbo

BASKETBALL Dennis Rodman's idea of being paid according to how he behaves has been shot down by the NBA as the wrangling continues over the star forward's future with the Chicago Bulls.

The NBA on Tuesday overruled Rodman's offer to play for a salary based on his performance, his agent said, and debate again centered on how much of his contract should be guaranteed.

Rodman signed a guaranteed one-year $9 million contract last season and wants to be paid about $10 million for the upcoming season. He originally proposed that the club pay him nothing in advance, instead putting the $10 million in an escrow account until after the season. If he was suspended, he wouldn't be paid.

Last season, the Bulls reportedly paid about $2 million of Rodman's salary to the league to pay for fines and for the 14 games he was suspended. The Bulls ended up footing the bill for 27 games Rodman didn't play, including 13 games he missed because of injuries. "We're working on it," said the Bulls' operations chief, Jerry Krause, about the negotiations. "Something like this takes time." *(AP)*

Els Has New Competition

GOLF Four European and two American Ryder Cup players were named Wednesday in a 12-man field that will try to stop Ernie Els from winning his fourth World Match Play title. In addition to the South African, the 12-man field for the Oct. 9-12 event includes Colin Montgomerie, Ian Woosnam, Darren Clarke and Jesper Parnevik from Europe's Ryder Cup team, and Phil Mickelson and Brad Faxon from the U.S. team. *(AP)*

Hill Dropped From Arrows Driving Team

Compiled by Our Staff From Dispatches

WITNEY, England — Damon Hill's departure from the Arrows team was confirmed Wednesday when the Formula One outfit announced it had signed Mika Salo of Finland for next season.

The Arrows director, Tom Walkinshaw, said Salo would replace Hill and join the team's other current driver, Pedro Diniz of Brazil, for the 1998 season.

Hill, who turned 37 on Wednesday, joined the little-known Arrows team this year after winning the drivers' championship last season with Williams. He has struggled to make an impact this season and lies 13th in the standings with seven points.

Arrows said money was the main factor in letting Hill go. "Damon is world champion, and, being realistic, we would not pay Damon and Mika the same wage," said a team spokeswoman, Ann Bradshaw. "That's a fact of life. We had to be realistic about the future and have decided to spend a bit more money on the technical side."

Hill was paid a reported £4.5 million ($7.2 million) to drive for Arrows this season, but has reportedly been seeking an increase for next year.

Salo, driving for Tyrrell-Ford this season, is 17th in the standings with two points.

"I want to thank Damon Hill for all his contributions to the team this year," Walkinshaw said. "It has been invaluable to have the world champion driving for us, and I want to wish him the best of luck for the future."

Hill, looking for a more competitive drive for next season, has been linked with a move to the Prost and Jordan teams. But Prost issued a statement Wednesday saying it had broken off talks with Hill.

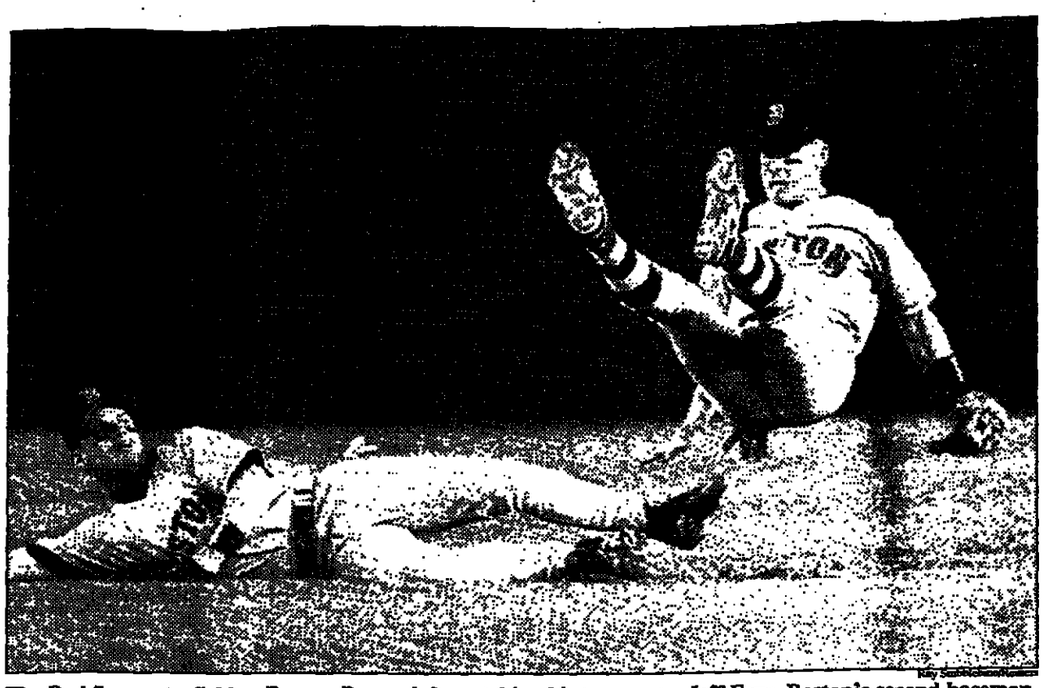
"Following talks with Damon Hill about a possible drive for 1998, no satisfactory agreement could be reached between the two parties and the negotiations have now come to a close," a statement said.

Prost, which also announced that Olivier Panis of France would return to its Formula One team in the Luxembourg Grand Prix on Sept. 28 after his recovery from two broken legs suffered in the Canadian Grand Prix last June, may look to Jarno Trulli of Italy, who has replaced Panis in his absence, to take the second seat for next season.

Hill now seems most likely to move to Jordan. That team's leading driver, Giancarlo Fisichella of Italy, is heading to Benetton.

Walkinshaw added: "We looked very carefully at the options for the team, and after discussing the matter with our technical partners and sponsors, realized that Mika would be the most appropriate driver for us.

"We have a learning year in many ways, and I am sure the undoubted talents of both Mika and Pedro will provide the perfect partnership to take us forward." *(AP, AFP)*



The Red Sox centerfielder, Darren Bragg, left, watching his teammate, Jeff Frye, Boston's second baseman, sail over him after Frye caught a fly ball off the bat of New York's Derek Jeter at Yankee Stadium.

McGwire Cleans Up, but Dodgers Win

Los Angeles Times

ST. LOUIS — It was an electrifying moment at Busch Stadium.

Mark McGwire had signed a contract with the St. Louis Cardinals early in the day that could pay him $39.5 million over four years, then came up in the first inning against the Los Angeles Dodgers to a standing ovation and promptly smacked a towering home run off the left-field scoreboard.

Dodger first baseman Eric Karros, caught up in the moment, said he felt like high-fiving McGwire as the Cardinal first baseman came by with the crowd cheering and fireworks exploding.

Three hours later on Tuesday night, it was Karros rounding first on a double, a key figure in a four-run, ninth-inning rally that enabled the Dodgers to beat St. Louis, 7-6.

The Dodgers had the early lead on Mike Piazza's two-run shot to left-center in the first inning. The home run was Piazza's 36th, tying his Dodger record of last season. The two RBIs give

NL ROUNDUP

him 111, one short of his career high set in his rookie year of 1993.

Then came McGwire's homer off Dodger starter Ramon Martinez, his 18th home run as a Cardinal and his 52d of the season, including 34 he hit for the Oakland Athletics.

In other games, The Associated Press reported:

Phillies 3, Mets 2 Curt Schilling passed the 300-strikeout mark and had a perfect game into the eighth inning before settling for a three-hitter as host Philadelphia beat New York.

Cubs 5, Reds 0 Kevin Tapani pitched a one-hitter for his first NL shutout and Sammy Sosa snapped a scoreless tie with a two-run, sixth-inning homer as Chicago beat visiting Cincinnati.

Braves 6, Giants 4 In Atlanta, Eddie Perez's grand slam in the sixth inning broke a tie and Atlanta tied a major-league record with 11 slams this season.

Marlins 9, Rockies 6 In Miami, Florida's Bobby Bonilla fouled off six two-strike pitches before hitting a bases-loaded homer with two outs in the ninth.

Astros 15, Padres 3 In Houston, Sean Berry hit a three-run double when the Astors blew the game open early. Jeff Bagwell hit his 40th homer.

Pirates 8, Expos 2 In Pittsburgh, Al Martin, Kevin Young and Shawon Dunston homered in a four-run fourth inning to lead the Pirates past Montreal.

Pettitte Fans 12 Red Sox as Yankees Take 2

New York Times Service

NEW YORK — Locked in. That was what Andy Pettitte was at Yankee Stadium. And that is what makes the Yankee manager, Joe Torre, confident that he has at least one starter he can count on when the post-season arrives.

Pettitte (18-7) allowed five hits and struck out a career-high 12 batters in eight scoreless innings Tuesday night to lead the Yankees to a 2-0 victory over the Boston Red Sox in the first game of a doubleheader.

The Yankees then swept the Red Sox with a 4-3 victory in the second game, behind a makeshift lineup and six and two-thirds solid innings from Willie Banks, who was making his first Yankee start. With the sweep, the Yankees won for the eighth time in their last 10 games and edged closer to a playoff berth.

Pettitte struck out at least one batter in each of his eight innings, including the

AL ROUNDUP

side in the Boston second, before Mariano Rivera breezed through a perfect ninth for his 42d save.

In other games, reported by The Associated Press:

Indians 4, Orioles 2; Orioles 7, Indians 2 Jimmy Key finally won another game at Camden Yards and Roberto Alomar had three hits and three RBIs as Baltimore beat Cleveland, 7-2, to gain a split of a day-night doubleheader.

In the opener, Charles Nagy pitched five-hit ball into the seventh inning and Matt Williams drove in two runs to lead the Indians to a 4-2 victory.

Rangers 4, Royals 2 The Rangers' Rusty Greer homered twice, including a tiebreaking two-run shot in the eighth.

Twins 9, Angels 3 Brad Radke scattered six hits in 7⅔ innings to earn his 19th victory, and Marty Cordova hit a pair of two-run homers as visiting Minnesota beat fading Anaheim.

White Sox vs. Brewers Postponed by rain.

U.S. Panel Clears Slaney On Doping Test in '96

New York Times Service

After her reputation twisted in the wind for 15 months, Mary Slaney, America's greatest female distance runner, has been cleared of any doping violation by the U.S. track and field federation.

A three-member hearing panel issued a one-sentence statement Tuesday vindicating Slaney for a disputed drug test at the 1996 Olympic trials, but did not explain its decision. Ann Breen-Greco, the chairwoman, said that the panel had 15 days to issue its findings and that she would discuss the case then.

Slaney's immediate running future remains uncertain. Now that she has been cleared by the U.S. federation, which suspended her after a preliminary hearing in June, Slaney must also be given the green light to compete by track and field's world governing body. The world body suspended her May 31, pending the outcome of the case in the United States.

Slaney, reached at her home in Eugene, Oregon, declined to comment. She has vehemently denied taking banned substances and has said that she felt unfairly treated by the track federation during the protracted hearing process.

Her attorney, Doriane Lambelet-Coleman, a professor of law at Duke University, said that Slaney felt "very relieved and vindicated."

"Mary just wants to run again," the attorney said. "She just wants her life back."

Until the disputed test became public last May, Slaney had been making an impressive comeback in the mile and 1,500 meters at age 38 after frustrating seasons of injury.

In winning her case, Mary Slaney successfully challenged a 1996 test that showed an elevated ratio of testosterone, the male sex hormone, to epitestosterone, a related chemical.

A ratio above 6-to-1 is considered to indicate the possible use of testosterone as a performance-enhancing anabolic steroid. Slaney said she had never used prohibited substances.

Istvan Gyulai, general secretary of the Monaco-based world governing body for track, said Tuesday night that its doping commission would likely review the Slaney case in October. If the world governing body disagrees with the U.S. ruling, it could seek arbitration. If Slaney were banned from further competition, it would be for no more than two years under current rules.

World track and field's governing body, meanwhile, said Wednesday that it would study the U.S. decision to clear Slaney. The Associated Press reported.

An IAAF spokesman, Giorgio Reineri, said it was not immediately clear whether the international body's suspension would be lifted. "This is the first case of its kind, and at this moment we don't have a right interpretation," he said.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
y-Baltimore	92	58	.613	—
New York	87	63	.580	5
Detroit	74	76	.493	18
Boston	73	78	.483	19½
Toronto	71	79	.473	21

CENTRAL DIVISION

Cleveland	80	68	.541	—
Milwaukee	73	75	.493	7
Chicago	73	77	.487	8
Kansas City	61	87	.412	19
Minnesota	61	88	.409	19½

WEST DIVISION

Seattle	84	67	.556	—
Anaheim	78	73	.517	6
Texas	71	80	.470	13
Oakland	61	90	.404	23

y-clinched postseason berth

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	93	57	.620	—
Florida	87	62	.584	5½
New York	82	69	.543	11½
Montreal	74	76	.493	19
Philadelphia	61	89	.407	32

CENTRAL DIVISION

Houston	76	74	.507	—
Pittsburgh	73	78	.483	3½
Cincinnati	69	81	.460	7
St. Louis	69	81	.460	7
Chicago	64	87	.424	12½

WEST DIVISION

Los Angeles	84	67	.556	—
San Francisco	82	69	.543	2
Colorado	78	73	.517	6
San Diego	71	80	.470	13

TUESDAY'S LINESCORES

AMERICAN LEAGUE

Cleveland 300 000 001—4 9 0
Baltimore 020 000 000—2 7 0
Nagy, Assenmacher (7), Jackson (8), Mesa (9) and Borders; Rodriguez, Orasco (7), Mills (8), Mathews (9), Myers (9) and Hoiles. W—Nagy, 15-10. L—Rodriguez, 0-1. Sv—M. Rivera (43).

Second game

Cleveland 000 000 020—2 5 0
Baltimore 210 220 00x—7 8 1
Weathers, Jacome (5), Juden (6), Shuey (8) and S. Alomar; Diaz (7); Key, A. Benitez (8) and Webster. W—Key, 16-9. L—Weathers, 1-3. HRs—Baltimore, R. Palmeiro (35), By.Anderson (18).

Boston 000 000 000—0 5 0
New York 000 000 20x—2 9 2
Sele, Wasdin (7) and Haselman; Pettitte, M. Rivera (9) and Posada. W—Pettitte, 18-7. L—Wasdin, 4-6. Sv—M. Rivera (42).

Second game

Boston 010 100 001—3 7 0
New York 000 220 00x—4 9 2
Checo, Hudson (5), Avery (6) and Hatteberg; Banks, Stanton (7), M.Rivera (9) and Flaga. W—Banks, 2-0. L—Checo, 0-1. Sv—M. Rivera (43).

Kansas City 000 000 200—2 9 1
Texas 100 100 02x—4 8 0
Appier, Olson (8) and Macfarlane; Pavlik, Santana (7), Gunderson (7), Whiteside (7), Wetteland (9) and I. Rodriguez. W—Whiteside, 4-1. L—Olson, 3-3. Sv—Wetteland (30). HRs—Kansas City, Palmer (22). Texas, Greer 2 (25).

Minnesota 000 034 011—9 13 0
Anaheim 000 001 002—3 9 1
Radke, Naulty (8), Trombley (9) and Steinbach; Hasegawa, Da.May (6), Chavez (6), DeLucia (8), Babee (9) and Kreuter, Encarnacion (8). W—Radke, 19-9. L—Hasegawa, 3-7. HRs—Minnesota, M. Cordova 2 (13), Anaheim, Edmonds (23).

NATIONAL LEAGUE

San Francisco 000 002 002—4 6 1
Atlanta 000 204 00x—6 8 1
Alvarez, Rodriguez (7), Henry (8) and Berryhill; Millwood, Embree (7), Cather (8), Wohlers (9) and Perez. W—Millwood, 4-3. L—Alvarez, 3-3. HRs—Atlanta, Perez (6).

San Diego 001 000 200—3 8 2
Hoeskes 300 001 10x—15 16 1
Hitchcock, Bergman (2), H. Murray (4), Erdos (6), Kroon (7), Cunnane (8) and Flaherty, Romero (5); R.Garcia, Bonilla (7), Henriquez (8), J. Cabrera (9) and Piena, Knorr (8). W—R. Garcia, 7-8. L—Hitchcock, 10-10. HRs—Houston, Bagwell (40).

New York 000 000 011—2 3 0
Philadelphia 020 010 00x—3 5 0
R.Reed, R. Jordan (6), Kashiwada (8), Lidle (8) and Hundley; A.Castilla (5), Pratt (8); Schilling and Lieberthal. W—Schilling, 16-10. L—R. Reed, 12-9. HRs—New York, McRae (10). Philadelphia, Lieberthal (20).

Montreal 000 001 010—2 6 0
Pittsburgh 100 410 02x—8 11 1
Mi.Johnson, Pamiagua (4), DeHart (8) and Chavez; Lieber, Christiansen (8), Rincon (9) and Kendall. W—Lieber, 10-14. L—Mi.Johnson, 2-4. HRs—Montreal, Fullmer (2). Pittsburgh, A. Martin (11), K. Young (18), Dunston (14), M. Smith (9).

Cincinnati 000 000 000—0 7 1
Chicago 000 002 03x—5 8 0
Mercker, Sullivan (7), Graves (8), Fe.Rodriguez (8) and J.Oliver; Tapani and Servais. W—Tapani, 7-3. L—Mercker, 8-11. HR—Chicago, Sosa (34).

Colorado 013 020 000—6 8 0
Florida 100 301 004—9 13 0
F.Castillo, Holmes (7), De.Jean (8), Dipoto (9) and Manwaring; Ojala, Alfonseca (4), F. Heredia (6), Powell (8) and C. Johnson; W—Powell, 7-2. L—Dipoto, 5-3. HRs—Colorado, L. Walker (45), Galarraga (38), Castilla (40). Florida, Sheffield (20), Benitez (17), Conine (15), Alou (22).

Los Angeles 200 010 004—7 11 0
St. Louis 100 001 400—6 8 2
R.Martinez, Hall (6), Guthrie (7), Gorecki (7), Radinsky (9) and Piazzano; Busby, C. King (7), Eckersley (9), Frascatore (9) and Marrero, Difelice (9). W—Gorecki, 1-0. L—Eckersley, 1-5. Sv—Radinsky (3). HRs—Los Angeles, Piazza (36). St. Louis, McGwire (18), Lankford (30).

JAPANESE LEAGUES

WEDNESDAY'S RESULTS

CENTRAL LEAGUE

Yakult 4, Hanshin 2
Yomiuri 4, Yokohama 2
Hiroshima 6, Chunichi 4

PACIFIC LEAGUE

Seibu 6, Daiei 1
Orix 9, Nippon Ham 4
Kintetsu 6, Lotte 3.

SOCCER

UEFA CUP

FIRST ROUND, FIRST LEG

Trabzonspor 2, Vfl Bochum 1
Betar Jerusalem 2, Club Bruges 1
Widzew Lodz 1, Udinese 0
Karlsruhe 2, Anorthosis Famagusta 1
SV Salzburg 4, Anderlecht 3
MTK Budapest 3, Alania Vladikavkaz 0
Sion 0, Spartak Moscow 1
Twente Enschede 0, Lillestroem 1
Steaua Bucharest 0, Fenerbahce 0
PAOK Salonika 1, Arsenal 0
AGF Aarhus 2, Nantes 2
Excelsior Mouscron 0, FC Metz 2
Croatia Zagreb 4, Grasshoppers 4
Rapid Vienna 1, Hapoel Petach Tikva 0
Bordeaux 0, Aston Villa 0
Schalke 04 2, Hajduk Split 0
OFI Iraklion 3, Ferencvaros 0
Lyon 4, Brondby 1
Bastia 1, Benfica 0
Sampdoria 1, Athletic Bilbao 2
Inter Milan 2, Neuchatel Xamax 0
Strasbourg 2, Rangers 1
Celtic 2, Liverpool 2
Deportivo Coruna 1, Auxerre 2
Real Valladolid 2, Skonto Riga 0
Atletico Madrid 2, Leicester City 1
Vitesse Arnhem 2, Sporting Braga 1
Vitoria Guimaraes 0, Lazio 4.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM—Signed 3B Troy Glaus to 1-year contract.

NEW YORK—Activated DH Cecil Fielder from 15-day disabled list. Added RHP Joe Borowski to the roster.

TEXAS—Recalled C Kevin Brown from Oklahoma City, AA.

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FAI — WORLD GAMES

Tel Aviv, September 16

In Group One, "Rectimo" won the Seville-Rome sector, coming in only 2 minutes ahead of "Little Speedy," and "Spirit of Freixenet" came in 8 minutes behind the latter.

In Group Two, "Kona Wind" came in a dramatic 32 seconds behind "Rambling Wreck," with "Wellesbourne House" following 2 minutes and 30 seconds behind. "Go Johnny Go" arrived 5 minutes later and is still the overall leader.

"Hope of Italy" arrived 5 minutes afterward.

The situation was similar in Group Three, where first place went to "Dash Ten," and the last plane, "Maya One," came in only 15 minutes later.

There was an 11-minute difference between the two Citation Jets competing in Group Four, and "Dream Machine" is still ahead of the "Young Turks."

The Canadian crew of "Canuk" finally gave up and has gone back to Montreal. "Carolina Belle" had yet another mechanical problem in Seville. After landing in Rome at night, it took off with the other competitors, but had to make an emergency landing in Corfu and eventually decided to quit the race. The results are not yet in for the Rome-Tel Aviv leg, but the "Young Turks" seem to have made a good move by choosing to fly low, whereas "Dream Machine" was looking for jet streams much higher and never found them. The French "Manoirs de France," whose captain, Gerard Pic, has 33,000 hours of flight experience, has its cracked exhaust pipe fixed in Rome and will arrive in Tel Aviv today.

The pilots can't wait for tomorrow's Tel Aviv-Amman leg, which they see as a symbol of peace. The results will not count because the aircraft will have to follow a precise route. His majesty King Hussein, a pilot himself, might even welcome the crews at Marka Airport.

Herald International Tribune — JEPPESEN, A TIMES MIRROR COMPANY

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SPORTS

Female Kicker Resents the Boot

New York Times Service

Vantage Point/TIMOTHY W. SMITH

IN 1993, Heather Sue Mercer left Yorktown Heights, New York, believing that her place-kicking skills, which had helped her high school win a state football championship, were good enough to secure a spot on the Duke University football team.

Four frustrating years later, after being told that she was on the team, and then not being given a uniform or being allowed to practice with the team or stand on the sidelines during games, Mercer says that there was never a place for her on the Duke team.

Mercer, now a senior at Duke, has filed a lawsuit in federal court in Durham, North Carolina, against Duke and its football coach, Fred Goldsmith, claiming that the coach did not give her a fair opportunity to compete for a place-kicking job.

Mercer is alleging that Duke violated Title IX of the Educational Amendments of 1972, which prohibit sex discrimination in college athletic programs that receive federal funds. She is also suing under North Carolina law for constructive fraud, negligent misrepresentation and breach of contract.

Mike Cragg, the Duke University sports information director, said Goldsmith had not seen the lawsuit and neither the coach nor the university would comment on it.

"I think that people should be aware of what happened to me, and I hope it never happens to anyone else," Mercer said. "The idea of anyone else going through what I went through for four years is nauseating to me."

Mercer's lawsuit asks for compensatory and punitive damages for emotional distress and for the loss of opportunity to play football at another college or to participate in future amateur or professional athletics. She said any money she might receive from the lawsuit would be used to set up a college scholarship fund for female kickers.

Mercer, an economics major who will graduate next May, does not have any more college athletic eligibility. She was on the Duke fencing team while pursuing a place-kicking slot.

In a telephone call from North Carolina, Mercer sounded angry and hurt when talking about her four years of trying to make the Duke football team.

"I just kept believing that they would see me as a kicker and not someone who often wore a skirt to the office," Mercer said. "Most athletes take it for granted that they have someone around them that supports them. It's tough when you don't have that. But it's worst to be made to feel that you don't even belong. It hurts."

Mercer, 21, was a walk-on player at Duke as a freshman in the fall of 1994 and was given what she describes as a "private tryout" by Goldsmith and members of his coaching staff.

Mercer was allowed to practice only with the other walk-on kickers even though, she said, other walk-on kickers were allowed to practice with the team, were issued uniforms and were even allowed to dress for games — things, she said, that she was denied. At one point, Mercer said, Goldsmith told her she could sit in the stands with her boyfriend during home games.

In April 1995, Mercer was selected to the Blue team for the annual Blue-White intrasquad game. She kicked a game-winning 28-yard field goal in the Blue team's 24-22 victory. Mercer said Fred Chatham, Duke's kicking coach at the time, told her she had made the team. But she had not. In the fall, she said, the same pattern emerged.

Mercer said that Goldsmith told her that she would be a distraction to the team if she were allowed to be in uniform and stand on the sideline, even though he wanted her to conduct news media interviews about being the only woman kicker on a Division I team.

During the summer of 1995, Mercer said, she wrote a letter to Goldsmith asking him why he was not going to allow her to attend practice that summer. She said he telephoned her at home and asked her why she was interested in football and why she did not want to be in beauty pageants instead.

Finally, this past spring, Mercer said Goldsmith told her that she had no place on the team.

Mercer said that during the summers she attended kicking camps to help sharpen her skills and that no one at any of those camps told her that she did not have the ability to compete at the Division I level.

MERCER attended camps run by Bill Renner, Paul Woodside and Mark Moseley, the former kicker for the Washington Redskins. "She kicks the ball well enough to be competitive with other college kickers," Renner said by telephone. Renner, who runs the Fourth Down Sports Kicking Camp, said he thought enough of Mercer's skills to include her on his camp's staff last summer.

Mercer said she never considered transferring to another college, because I felt like transferring would be giving up," and she said she was happy academically at Duke.

Asked what she hoped to accomplish with the lawsuit, Mercer said: "At the very least people will know what happened down here.

"Everybody always thinks that everybody gets a fair shot at making the team. Maybe they will understand better what happens to somebody who is a little different when they try to accomplish something. I hope it changes some minds.

"Place-kicking is not about the size of your leg or whether you're male or female or you weigh 200 pounds. It's whether you can get the ball through the uprights with accuracy and consistency. Girls can do that."

Luca Bruno/The Associated Press

Ronaldo of Inter Milan unleashing a shot that a leaping Lionel Martin of Switzerland's Neuchatel Xamax tried to block. Inter Milan won its UEFA Cup first-round match, 2-0. Ronaldo scored one of the second-half goals.

McManaman Flies to the Rescue

The Associated Press

The first installment of soccer's Battle of Britain ended in a 2-2 draw between Scotland's Celtic and England's Liverpool in one of 32 games in the first round, first leg of the UEFA Cup.

Bragging rights will not be settled until the second leg on Sept. 30 in Liverpool.

Steve McManaman saved Liverpool with a blistering goal from 20 meters out in the 90th minute to equalize on Tuesday night, in a game played before a sellout crowd of 50,000 at Parkhead stadium in Glasgow.

Celtic, which fell behind 1-0 on a 6th minute goal in the first half by 17-year-old Michael Owen, came back in the second half with a goal in the 52d by Jackie McNamara and the go-ahead strike in the 73d on a penalty by Simon Donnelly that beat the Liverpool goalkeeper, David James.

England's Arsenal, another of the favorites along with Liverpool to win the Premier League, was upset by PAOK Salonica, 1-0, on a goal in the 61st minute by Costas Frantzeskos, who scored with a left-footed shot.

The goal prompted Greek fans to set off fireworks in the stands to celebrate. Arsenal played the match without the Dutch striker Dennis Bergkamp, who refuses to fly and decided an overland trip would take too long.

In Gelsenkirchen, Germany, defending champion Schalke 04 opened with a convincing 2-0 victory over Croatia's Hadjuk Split while running their record streak in the competition to seven home matches without yielding a goal.

THE UEFA CUP

Michael Goossens, a reserve striker, settled the match early by firing goals in the 7th and 23d minute as the German team dominated despite seven missing starters.

Athletic de Bilbao of Spain upended Sampdoria of Italy, 2-1, on a goal in 19th by Roberto Rios and another in the second half by Javi Gonzalez. Sampdoria's goal was in the 73d by the French midfielder Alain Boghossian.

Another Spanish team, Atletico Madrid, defeated England's Leicester, 2-1, on a penalty in the 72d minute by Christian Veiri. Leicester went ahead in the 11th on a goal by Ian Marshall, but Juninho — who played last year in England for Middlesbrough — made it 1-1 with about 20 minutes to go and set the stage for Veiri's winner.

In Milan, the Brazilian teammates Ronaldo and Ze Elias scored second-half goals to give Inter Milan a 2-0 victory against Neuchatel Xamax of Switzerland.

Inter's widely expected victory against the Swiss underdogs at Milan's San Siro stadium came after a lackluster first half which ended on a 0-0 tie.

The Slovenian team Maribor Teatanic put up a spirited fight against Ajax, forcing the Dutch powerhouse to settle for a 1-1 draw in Maribor.

Nastja Ceh shot the Slovenes into a stunning lead in the 49th minute, while Jari Litmanen drew level for Ajax in the 67th on a header.

EuroLeague Season Ready for Tip-Off

By Ian Thomsen
International Herald Tribune

The NBA training camps haven't opened yet, which means Michael Jordan might still be out on a golf course somewhere while the EuroLeague season is launched this week.

The EuroLeague is the second-best basketball league on the planet, and this summer the Italians seemed to win the preseason award for paying the most outlandish salaries.

If Athens has been the stronghold of European basketball in the 1990s, largely because the last two European champions — Panathinaikos and Olympiakos — were willing to spend whatever it took for the top non-NBA talent, then the new power center this year might be Bologna. The two teams there have been trying to outspend each other like rival art barons.

Teamsystem Bologna bought up the Most Valuable Players from the last two European Final Fours — the Americans Dominique Wilkins and David Rivers — to join Carlton Myers, who is the best Italian shooter, and Gregor Fucka, the Italian national team center.

Its neighbor, Kinder Bologna, lured in the great scorers Predrag Danilovic (from the NBA) and Antoine Rigaudeau (from Pau-Orthez of France) as well as Hugo Sconochini and Dimitris Papanikolaou, who were starring in Greece last season. Each team has made several other lavish signings — together the two clubs have spent more than $40 million for this season — but Kinder might have had the last laugh when it bought the gym that both teams use in Bologna. Now Teamsystem must accept the indignity of paying rent to the club it most wants to beat.

No Italian club has won the European title since 1988, when Bob McAdoo was playing for Milan. It might turn out that the best team in Italy is the one with the fewest changes. Benetton Treviso, the defending Italian champion, has been looking exceptionally coherent in preseason under its new coach, Zeljko Obradovic, the Serb who has won three European championships with three different clubs since 1992.

EUROPEAN BASKETBALL

The first half of the EuroLeague season will be overwhelmed by the arrival in Paris next month of the Chicago Bulls, who will bring their full team to represent the NBA in the McDonald's Championship, an exhibition which serves as a world championship for clubs. The Bulls and Olympiakos will be the two seeded teams as champions of their respective continents. Benetton Treviso, Barcelona, PSG Racing of Paris and Atenas de Cordoba of Argentina will be the other national champions represented.

Olympiakos, which opens defense of its European title Thursday at Efes Pilsen of Istanbul, might have a hard time this season without the quickness and imagination of Rivers, who reportedly turned down an offer of well over $1 million in order to go to Bologna.

Arturas Karnisovas and Johnny Rogers have been brought in from Spain to lead the team in a new direction. They will have to fit in quickly as Olympiakos was drawn to Group A, the toughest EuroLeague division, along with former European champions Real Madrid, Maccabi Tel Aviv, CSKA Moscow and Limoges of France — plus Efes Pilsen, a contender to win it all this year.

The EuroLeague draws 24 clubs from the top 12 basketball countries in Europe. Each team will play 16 round-robin games, which amounts to roughly one game in mid-week, leaving the weekends free for their domestic competitions. The top 16 teams will enter the best two-of three playoffs in March.

Here is one guess for the Final Four: Benetton Treviso, Teamsystem Bologna, Barcelona and Efes Pilsen. Mainly because the Final Four is to be held in Barcelona April 21 and 23, let's say the European champion will be Barcelona, led by Aleksandar Djordjevic and Jerrod Mustaf.

Martin May Play on U.S. Davis Cup Team

By Athelia Knight
Washington Post Service

WASHINGTON — Tom Gullikson, captain of the U.S. Davis Cup team, has said there is a possibility that Todd Martin will be added to the team that will face Australia in a semifinal match here this weekend.

Martin, whose appearance at the U.S. Open late last month was his first in a tournament since injuring his knee and elbow last February, has been practicing with the U.S. team this week.

The U.S. team members are Pete Sampras and Michael Chang, ranked Nos. 1 and 2 in the world in singles; No. 23 Jim Courier; and Alex O'Brien, ranked No. 7 in doubles. Martin beat Courier in the first round at the Open.

"All the players are working hard," Gullikson said after working with O'Brien on a side court. "They're getting a good feel for the conditions. We'll be ready for the weekend."

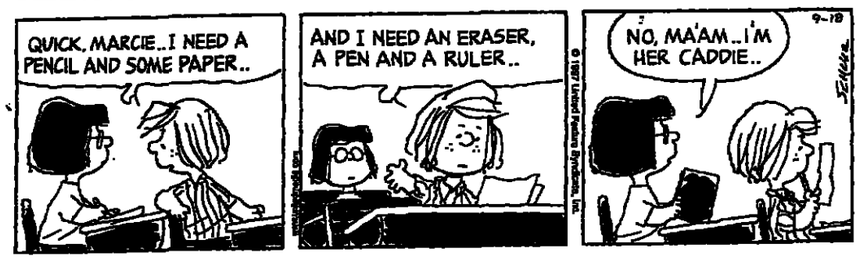
The Australian team members are Todd Woodbridge and Mark Woodforde, the No. 1 doubles team in the world; U.S. Open champion Patrick Rafter, ranked third in the world; No. 21 Mark Philippoussis; and Jason Stoltenberg, a 1996 Wimbledon semi-finalist. Sampras and Chang are expected to compete against Rafter and Philippoussis in singles. The U.S. doubles team hasn't been named.

Gullikson has until an hour before the draw at noon Thursday to name the participants.

Each round of the Davis Cup is a best-of-five competition — four singles and one doubles.

DENNIS THE MENACE

PEANUTS



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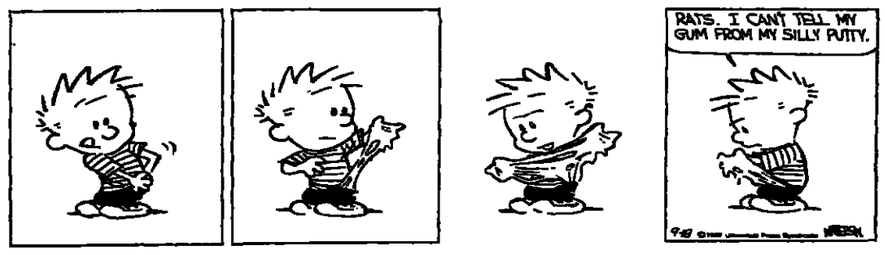

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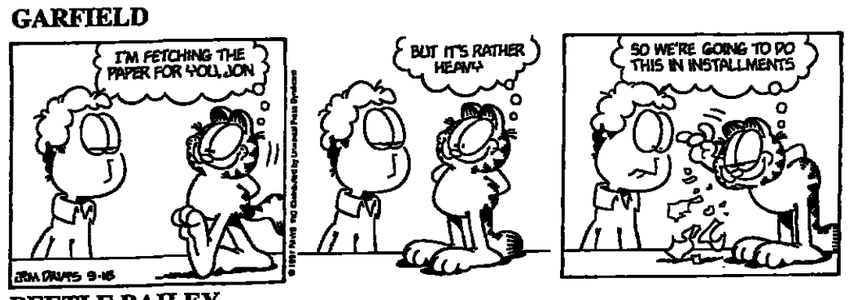

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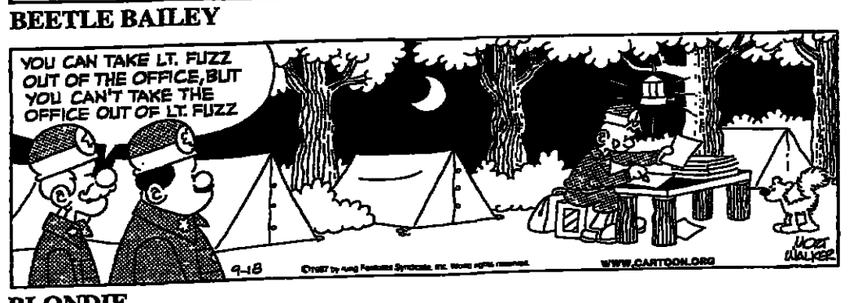

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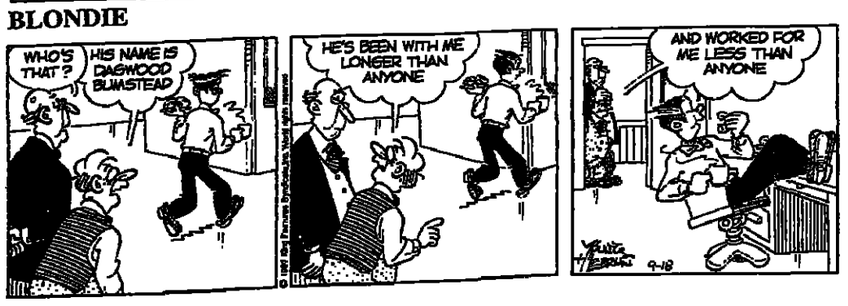

JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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RODAFE

MERCOH

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here : IT

(Answers tomorrow)

Yesterday's Jumbles: DOWNY BLANK ZITHER PSYCHE
Answer: What the trumpet's rich sounds gave the musician — A HORN OF PLENTY

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ART BUCHWALD

Just One More Call

WASHINGTON — Everyone has his or her own version about what went on during the Al Gore telephone calls at the White House.

Here's the one I'd like to believe:

"Mr. Vice President, you have a telephone call."

Buchwald

"If it's a political donor, tell him I'm not here."

"He says he's calling from a Buddhist temple and is willing to discuss Buddha's thoughts on hard money as opposed to soft money."

"I can't accept a call like that while I'm in the White House. Here's a number of a pay phone at Union Station. *Tell him I can talk about it* from there."

□

"Mr. Vice President, will you accept a $50,000 contribution from the Sons of Tennessean Mountain Fiddlers?"

"Of course, I won't. If I told you once I told you a hundred times, as vice president of the United States, I cannot take phone calls about money while I am conducting affairs of state."

"I understand, sir. What do you want me to tell the people who call?"

"*Tell* them to make a pledge in my voice mail, and *I'll get back to them.*"

□

"Got it. Does this also apply to the soup-bone industry?"

"Does the soup industry want to make a financial donation to our party?"

"It sounds like it. But they would like a guarantee that you'll serve soup at all future fund-raisers."

"*Why can't* they just give us the money and say they're *doing it* for their country?"

□

"That would make a lot of sense. But what we have to be concerned about now, Mr. Vice President, is that these calls are not listed as solicitations by you from the White House."

"We have nothing to fear from that. I'm too busy with global warming to make political calls from here. Any word from Johnny Chung concerning his interest in our programs?"

"Nothing except he is complaining that they cook his soft-boiled eggs too hard whenever he has breakfast with you and the president."

"Make sure that the chef hears about this."

"Mr. Vice President, Janet Reno is demanding to see all our telephone records."

"What for?"

"She wants to ensure that the calls are strictly business, and you are not making any personal ones on the president's time."

□

"Go ahead, give her the records. If talking to Buddhists isn't legitimate business, I don't know what is."

So, whatever eventually transpires, the main question is: When did the vice president know that he was making a fund-raising call and how did he know it?

A White House damage-control officer said, "As soon as we install the pay phones in the Oval Office, we won't have these problems any more."

Chris Blackwell's Version of 'Small Is Beautiful'

By Mike Zwerin
International Herald Tribune

PARIS — It's hard to get excited about a 40th anniversary celebration when nothing special appears to have happened 40 years ago.

Founder Chris Blackwell claims that his Island Record label is 40 years old. Pop encyclopedias say that Island was founded in 1962. And the company apparently celebrated its 25th anniversary in 1987. Blackwell turned 60 this year; maybe that's it.

He shrugs the celebration off as an excuse to reissue goodies and release new compilations and "best of" collections. There's no shortage of music, that's for sure; the millennium is coming up in a few years and anyway he looks like he could use a good party.

Despite cruising around Paris shopping and promoting in a limousine, Blackwell does not really resemble the multimillion-dollar multinational recording executive that he is.

Maybe it's the shy, vulnerable smile. Or the fact that he's interested in what other people say. Or his odd observations, like: "Isn't it a shame that there's no jazz hall of fame?"

His family is related to the Crosse and Blackwell food empire; he comes from Jamaica's wealthy white minority. He also has remarkable ears, which led to his discovery of the then little-known Jamaican musical styles ska and reggae. It goes back before Jimmy Cliff (Blackwell produced the film "The Harder They Come") and Bob Marley and the Wailers. It goes back — *what? — 40 years.* Island became a large and successful corporation you might say despite Blackwell's good taste. He recorded Marianne Faithfull, the African musician Salif Keita and the British jazzman Courtney Pine because he liked them and the music that they made. They were not supposed to be commercial. Popularity was a kind of bonus.

What Blackwell likes most in the recording business is being in a position to encourage the growth of a career, and the creative process in general, from the very beginning.

Before the beginning. (He worked with Marley to integrate reggae and rock elements.) Only he can't do that any more.

Success is no longer successful. Selling "only" 30,000 copies of a first record, once a quite respectable jumping-off point, is "just a blip" today. "No serious player in this business wants to waste their time with such a number," Blackwell says. "It's even a question if selling 'only' a million is worth the trouble. The music was once the reason for it all. But it's hardly in the equation any more."

Christian Rose

"Hotel mogul" Chris Blackwell: An impressive roster for Island Records.

Size is not what it used to be. Smart, mid-range record companies got in a crunch in the '80s. Despite adding the successful rappers NWA and the rock band U2 to his roster, Blackwell saw that he was too big to be small and the reverse. It was a no-man's-land. There were only two ways to survive — as a large modern high-tech army (like the Sony group) or an efficient guerrilla band (like ECM).

He gave his employees copies of E.F. Schumacher's book "Small Is Beautiful." Schumacher stressed a concept he called "appropriate technology" — not getting any larger or more complex than absolutely necessary:

"Everybody wanted me to build pressing plants and open offices all over the place. It got to the point where dealing with anything smaller than seven figures seemed to be a complete waste of time. Why put any energy into developing Baaba Maal [a good African group], for example? They're not going to sell a million albums.

"I'm not blaming anybody. I'm just telling it like it is. You have a high overhead, an army of people working for you. You spend your time and energy with things like chargebacks and Soundscan. You read Billboard magazine every week to see what other people are selling. The music really doesn't matter, the numbers take over."

Still, he had an impressive roster — Marley, Steve Winwood and Traffic, Robert Palmer, Jethro Tull, King Crimson, Roxy Music and others. But some of them were beginning to leave him in favor of larger companies. Island's pockets were not deep enough to promote their global potential. He didn't blame them: "I might have done the same thing myself."

So he sold Island to PolyGram for $272 million in 1989. He continued to run the company under a management contract. He was sure that he could maintain his independence. "I've never regretted it for a minute," he says.

You might call him a survivor, but it's less selfish and more complicated than that. He's still one of the few people with so much power trying to protect the music. Everything is fine as long as he meets quotas and projections. He spends a lot of energy keeping the Suits happy. He finds this situation "fair enough." Above all, he's a realist.

Blackwell continues to run the Bob Marley estate along with Marley's family. Recently they differed about how to react to an offer to open a Bob Marley novelty shop and café in a theme park. The family pointed out that a lot of people would be exposed to the music. Blackwell was "violently opposed" because "Bob was a rebel against the system. That's what he stood for. So it would have been unbelievably tacky. And it wasn't even worth it. How much money could it make anyway?"

He's tempted to try building a star from the ground up again with a teenage Puerto Rican boy singer he likes a lot. Only he's concerned about getting past the 30,000-copy "blip" barrier. And sometimes, to be honest, he can't quite remember the boy's name. In the meantime, he's an innkeeper.

Or as he puts it, with a great deal of irony: "I'm a hotel mogul." He says he loves that too. He's building what he calls "boutique hotels" in Miami Beach and Jamaica. He travels to West Africa to buy materials to cover the floors and walls and such. He wants to create a "lifestyle collection of tiny hotels" — small properties with appropriate technology like central accounting, marketing, reservations and management; but "each with its own personality."

His "dream hotel" is the Marlin in south Miami Beach (he bought the shell of a building). It has a Jamaican restaurant, a bar, a recording studio and a modeling agency. "What more do you need?"

ELVIS STUDIES

From Blues to Bureaucracy, a Southerner's Journey

By Kevin Sack
New York Times Service

OXFORD, Mississippi — After William Ferris left a teaching position at Yale University 18 years ago to become founding director of the University of Mississippi's Center for the Study of Southern Culture, he wandered through dormitory hallways with his Gibson guitar, playing the blues for any student he thought he could serenade into joining his unconventional program.

"I'm sure they thought I was a very strange and curious figure," said Ferris, a Mississippi native who is in line to become chairman of the National Endowment for the Humanities.

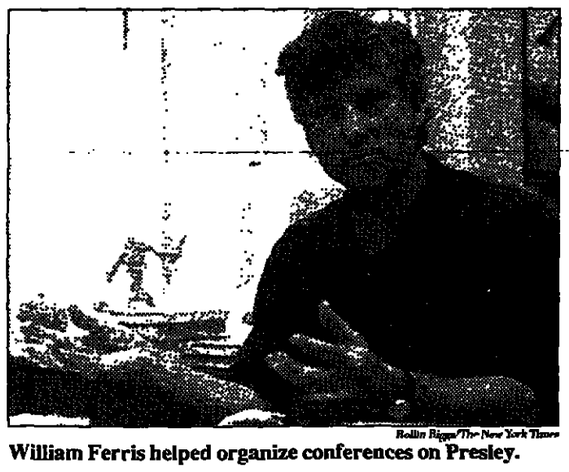
If students found Ferris a bit odd, they were not alone. Regional studies programs in that time were on the fringes of academic life. That Ferris focused on Southern culture did not help. It was not unusual for scholars to inform him that Southern culture was an oxymoron. Nearly two decades later, Ferris does not hear much of that anymore, and he no longer has to attract students by imitating B.B. King.

The center is widely considered a treasure of Ole Miss and a model for regional studies programs. Classes on topics from Southern folklore to the development of country music are oversubscribed. While there have been setbacks, like last year's closing of Reckon magazine, a fledgling quarterly about Southern culture, the center's eight-pound *Encyclopedia of Southern Culture*, edited by Ferris and Charles Reagan Wilson, has sold more than 100,000 copies.

Its bimonthly music journal, Living Blues, is also highly regarded, as are its collections of folklore and blues recordings.

The center's popularity and new respectability helped persuade President Bill Clinton to select Ferris for the endowment, which finances scholarship, cultural conservation, exhibitions and broadcasts on the humanities. The two Southerners do not know each other well. But when he presented the endowment's Charles Frankel Prize in the Humanities to Ferris two years ago, the president remarked that Ferris "leads the sort of life I'd like to lead if I had another one to live. He lives in the Deep South, he writes funny, wonderful books and he's still trying to find out if Elvis is alive."

That remark referred to the center's "International Conferences on Elvis" in 1994 and 1995.


Rollin Riggs/The New York Times

William Ferris helped organize conferences on Presley.

At one of them, the lesbian Elvis Presley impersonator Elvis Herselvis mingled with scholars presenting papers on topics like Presley's "semiotic significance." Events like these have led some critics to label as excessive showmanship Ferris's relentless promotion of the center.

For his part, Ferris, who is 55, said the conferences were "a great success," that "the intellectual and emotional energy that was felt at these sessions was really significant." More traditional scholars condemned the topic as insufficiently serious for academic discussion.

Among some intellectuals, the Elvis conferences have obscured Ferris's academic reputation as a folklorist, author, filmmaker and administrator. While he has written extensively about Ray Lum, a Mississippi mule trader whom he once recruited to auction a mule at Yale, he has also written about Eudora Welty and has helped organize Ole Miss Faulkner conferences.

Still, some skeptics worry that Ferris may overemphasize popular culture at the endowment.

John Ellis, secretary of the Association of Literary Scholars and Critics, for one, said the endowment needed a leader "who has a strong feeling for what is central, not what is peripheral, and a person who sponsors conferences on Elvis, it would seem to me, does not have that sense."

Ferris said that his vision for the endowment encompassed all forms of culture. "That includes and embraces the classic canon of literature and history," he said in an interview. "It also includes popular and folk culture."

That being said, Ferris believes virtually anything can be worthy of scholarly examination. That includes Goo Goo Clusters, the caramel, chocolate, marshmallow and peanut confection that merits an entry in his Southern culture encyclopedia.

"It's not so much the subject as how you do it," he said. "Obviously, you can have a cavalier approach to any subject, be it Twain or Goo Goo Clusters. But through food, and in this case a commercially produced candy, you can understand a great deal about the culture of a region."

Ferris is the kind of academic whose sartorial tastes run from T-shirts to Polo shirts. He said he would buy ties for Washington, but only reluctantly. He has slightly rheumy blue eyes, a whispery drawl and a tuft of salt-and-pepper hair that flops over his right brow.

He grew up on a large family farm near Vicksburg, Mississippi, the oldest of five children. His parents' racial views, he said, were unusually progressive for their time and place. "I remember my parents washing my sister's mouth out with soap when she used the word 'nigger,'" he said. At Ole Miss, he has joined other faculty members in advocating abandonment of the school's Confederate symbols.

Ferris dates his interest in Southern folklore to childhood visits to Rose Hill Church, a black church on his family's farm. While an undergraduate at Davidson College, he began to tape services there and later interviewed generations of members to construct a church history.

If nominated and confirmed, Ferris said, he will push to increase the endowment's financing, which was cut by the Republican-controlled Congress to $110 million from $177 million in 1994. The endowment has contributed close to $1 million to the center, including $300,000 to the encyclopedia.

A political independent, Ferris said he would try to persuade lawmakers to distinguish between the humanities endowment and its sister, the National Endowment for the Arts, which has been under attack by Congress. And he said he hoped to convince Republicans that the endowment deserves bipartisan support.

If that does not work, he said, he may just have to sit a spell with fellow Southerners like Senator Jesse Helms, Republican of North Carolina, and have a long talk about mules.

PEOPLE

OFFICIALS at Stanford University in Palo Alto, California, are trying to make the Friday arrival of President Bill Clinton's daughter, Chelsea, as normal as possible for a student arriving on Air Force One. The press crush has been relentless, but the officials have made sure the media is kept under control after the scene surrounding Princess Diana's death. "After the Princess Di situation, we think the press will be less intrusive," one White House official said. For the first time, Stanford has banned the press from most of the activities slated for the first five days of orientation. The campus has had its share of celebrities, but students say that the ever-present retinue of Secret Service agents could make it hard to forget the power her family wields, or for Chelsea to do the same. "I feel a little bad for her," said **Toli Kuznet**, a Stanford sophomore. "I can imagine her at a fraternity party with the Secret Service guys tasting beer for her."

David Loh/Reuters

A MATTER OF CUSTOM — Dancers in the traditional costume of the Malaysian state of Sabah performing at a cultural festival in Kuala Lumpur.

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As if he were handling a delicate diplomatic initiative, **Jamie Rubin**, State Department spokesman, is doing spin control on his personal life, namely his globe-spanning romance with CNN's London-based senior international correspondent, **Christiane Amanpour**, whose TV reports have often been critical of the administration. Rubin doesn't want to discuss the liaison publicly. But privately, he's saying that: 1) in today's world, if men and women have important jobs, it is to be expected some of them will end up seeing each other, and 2) Amanpour is doing her job independently of her relationship with him. No more questions, please.

□

The Russian government has chastised **Valeri Gergiev**, the artistic director of the Kirov Opera and Ballet, for signing a guest-conductor contract with New York's Metropolitan Opera without official approval. A government spokesman noted that it had taken a presidential directive to appoint Gergiev to the Kirov, based at the Maryinsky Theater in St. Petersburg. The government did not say whether it would try to block the contract.

□

A guitar once owned by the rock legend **Jimi Hendrix** failed to find a buyer at auction at Sotheby's in London on Wednesday. The black Fender Stratocaster given by Hendrix to fellow rock musician **Al Kooper** in 1968 was bid up to £100,000 ($160,000) but failed to reach its reserve price, which was not disclosed. A guitar used by Hendrix at the Woodstock Festival sold for £198,000 in 1990. Hendrix died in 1970.

□

Giovanni Alberto Agnelli, 32, and his American wife, **Avery Frances Howe**, have a baby girl, **Virginia Asia**, their first child. Her birth was announced by the Istituto Finanziario Italiano, the holding company of the Agnelli family that controls the giant Italian automaker. Agnelli was treated for a rare type of intestinal cancer last spring and underwent surgery last month.

□

The actor **Christian Slater**, arrested last month in Los Angeles, pleaded not guilty to battery, resisting arrest and drug charges.

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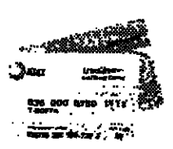

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